# THE COMPLETE ACCOUNTANT

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No. 35

# THE

# Complete Accountant.

DESIGNED FOR THE USE OF SCHOOLS
AND PRIVATE STUDY.

A BOOK OF REFERENCE FOR THE COUNTING-HOUSE, EMBODYING THE LATEST FORMS AND METHODS IN USE IN THE BEST BUSINESS HOUSES.

NEW EDITION.

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## TO THE TEACHER.

It may sometimes be deemed advisable to abbreviate the work in the twelve exercises for journalizing. After journalizing February, this may be easily done by having the pupil journalize portions of the following months: The first ten transactions of March; the first four and last two transactions of April; the first ten transactions of June, July, August and September; the first fifteen transactions of October. November and December may be omitted. January, February and May should be journalized entire.

# PREFACE.

Both as a practical study and as a mental discipline, there is, perhaps, no branch of education within the reach of the masses, more productive of beneficial results, or so well calculated to impress upon the youthful mind the importance of system, accuracy, and accountability in the affairs of life, as the study of Book-keeping. Therefore, aside from its value as a means of recording daily business transactions, it must ever take a high rank in the scale of studies designed to prepare the young for the active duties of life. No matter what a person's occupation is to be, a thorough understanding of the science of accounts cannot fail to be of the greatest value to him, either in practical utility or as a resource giving strength and confidence to the mind; and to one who designs entering upon a business career a knowledge of this subject should be regarded as an absolute necessity. In a country like ours, in which, emphatically, "Commerce is king;" with almost a boundless extent of territory and resources; with unequaled enterprise among the people, and where each is aspiring and every one is free to exercise his skill in any direction, and liable, in the mutations of business or politics, to be called upon to occupy positions of trust and responsibility in the community, the study of accounts should be regarded as a necessity in a system of popular education.

THE COMPLETE ACCOUNTANT, as a text book on the subject of book-keeping, first made its appearance in 1875, and has since had a popular and continuous use in a large number of the best schools and colleges throughout the United States and Canada. For some time past the author has felt that the work should be thoroughly revised and brought down to the present time. This revision has been made in a most thorough and conscientious manner, and the new edition now appears in entirely new type, with much new matter, and much of the old matter retained, in new form.

The Exercises in Journalizing, so favored by teachers, have been expanded and enough examples given to fully enforce the principles. The introduction of a Single Entry set, as adapted to a retail business, will be appreciated by a large class of learners, as well as teachers. The plan of leaving a portion of the amounts for the student to ascertain by calculation, and furnishing several price lists with the results under each, by which the student must make all computations, is a feature which most teachers will find highly beneficial in their work, as throwing the student upon his own resources. The method of working out a portion of each chapter, to be followed by transactions not worked out, in which the student is required to arrive at certain results, has been followed throughout the book as being best adapted to test the student on his understanding of the work. In order to pave the way to the introduction of new features in each chapter, much explanatory matter on incidental subjects has been thrown in between the chapters, which, it is believed, will be valuable to the student.

In the revision of this work no attempt has been made at the impossible feat of incorporating within the covers of a book all the varied forms of the multitude of methods by which books are kept in the different departments of business. The author has rather contended for principles, and the aim has been to acquaint the student with the underlying principles of the science and their application to a few of the leading departments of business, and then leave him to modify these forms or adapt himself to other forms, as occasion may require. Beginning at the rudiments of the science, the constant aim has been to proceed by easy and uniformly graded steps to the more difficult, thus leading the learner, without discouraging him.

Conscious of error and imperfection, notwithstanding the care and labor bestowed, but trusting in the justness of the judgment of my fellow-members of the craft of commercial teachers, and the public generally, this work is respectfully submitted.

APRIL 1, 1895.

# To the Student.

IN entering upon the study of Book-keeping you should realize that you are undertaking a study which may be of great value and importance to you through life. Although you may never use Book-keeping as a means of livelihood, yet the study of the science of accounts will call into exercise many qualities of mind which are very essential to success in life.

The first essential to a good book-keeper is ACCURACY. The slightest mistake or discrepancy must, sooner or later, be discovered and corrected, before the book-keeper can proceed. Great care and constant watchfulness are required, especially by beginners, to prevent troublesome errors. Every experienced book-keeper has learned that it is easier and far better to AVOID errors than to DETECT and CORRECT them.

Another very essential element in good book-keeping is NEATNESS. Good business men place great stress upon this, and insist that their books must be NEATLY as well as CORRECTLY kept. The writing in a set of books should be a fluent style, neat, plain and without shading, except in the case of ledger titles or other prominent words. The figures should be small, neat and plain, and the ruling should be done with care. All blots and erasures should be carefully avoided, and the books should present a generally neat and creditable appearance both inside and out.

Speed is an element valuable to every book-keeper, but by the beginner it should not be considered. Do not hurry. Haste will sooner or later cause error, and the error will cost you more than you have gained. Let your first aim be ACCURACY, your second NEATNESS, and only when these are attained can RAPIDITY be thought of. If it comes sooner it is a fault instead of a virtue.

There is nothing in business that pays better than SYSTEM, and it should be rigidly enforced at every step. Success in business life depends, largely, upon habits of order and attention to details, and the time spent by the book-keeper in a systematic arrangement of his work—having a place for everything—will return to him, saved fourfold, in convenience and facility. Learners are too apt to think that because no financial results depend upon the exercises in the text book, no importance should be attached to neatness and accuracy, and thus reasoning, they adopt slovenly habits, which may follow them through life.

Cultivate independence of thought. Call for aid from the teacher only when you have exhausted your own resources. Do not take things for granted, but investigate thoroughly. Do not wrong yourself by assuming to know that which you do not know, thus preventing instruction that would otherwise be of great value to you. And finally, no matter how smart you are, do not for a moment think that your native ability, however great, will compensate for the want of patient care and FAITHFUL WORK.

# INTRODUCTION.

## WHAT IS VALUE?

VALUE is the ratio existing between different commodities with reference to exchange.

*What is a business transaction?*

A BUSINESS TRANSACTION consists in the exchange of values.

*What is Book-keeping?*

BOOK-KEEPING is a systematic method of recording business transactions, and is divided into two kinds, distinguished as Single Entry and Double Entry.

*What is Single Entry Book-keeping?*

SINGLE ENTRY is a method of keeping accounts in which there is only one debit or one credit to a business transaction. Personal accounts are the only ones usually carried to the Ledger.

*What is Double Entry Book-keeping?*

DOUBLE ENTRY is a method in which every business transaction produces both a debit and credit of equal amount in the Ledger.

*Which method is considered preferable?*

DOUBLE ENTRY is preferable, because it furnishes a more complete business record, and leaves less liability for errors and omissions.

*Define Debit and Credit.*

DEBIT AND CREDIT are terms used to express the relation which exists between persons or commodities that enter into any business transaction. The simplest meaning of debit, is to *charge;* and of credit, is to *trust.*

*What are Resources?*

RESOURCES or assets are property of any kind belonging to the business; such as cash, merchandise, real estate, notes payable to the firm, etc.

*What are Liabilities?*

LIABILITIES are debts owing by the business, such as notes outstanding, etc.

*What are Gains and Losses?*

GAINS AND LOSSES are terms used to express some change in the quantity or value of the assets or liabilities of the business. Gains arise from an increase in the value of the assets or a decrease in the liabilities. Losses arise from a decrease in the value of the assets or an increase in the liabilities.

*What is Capital?*

CAPITAL is the excess of one's assets over his liabilities.

*What is Insolvency?*

INSOLVENCY is the excess of one's liabilities over his assets.

*What is Cash?*

CASH is a title used to designate money. We include under it currency, bank checks, sight drafts, postal orders, etc.

*What is Merchandise?*

MERCHANDISE includes all goods and wares dealt in by the concern as a business, and which are in store.

*What are Bills Payable?*

BILLS PAYABLE are our notes or written obligations which others hold, for which we are to pay a certain amount when due.

*What are Bills Receivable?*

BILLS RECEIVABLE are others' notes or written obligations which we hold, for which we are to receive a specified sum when due.

*What is Bank Stock?*

BANK STOCK, railroad stock, etc., denotes shares in such corporations. Stocks of all kinds are bought and sold at their market value.

*What is Real Estate?*

REAL ESTATE is a name given to houses and lands.

*What is Shipment?*

SHIPMENT or consignment is a name given to merchandise which we send away to an agent or commission merchant to sell for us. This is to distinguish between property in store and out of store.

*What are Interest and Discount?*

INTEREST, DISCOUNT, premium or exchange, are allowances which we make to others, or others make to us, usually with reference to commercial paper.

*How do we indicate that an Account is Debited?*

WE SHOW THAT AN ACCOUNT IS DEBITED by placing the amount on the left, or Dr. side of the account.

*How do we indicate that an Account is Credited?*

WE SHOW THAT AN ACCOUNT IS CREDITED by placing the amount on the right, or Cr. side of the account.

*How do we know what to Debit and what to Credit?*

WE DEBIT WHAT COSTS VALUE AND CREDIT WHAT PRODUCES VALUE.

*How are the terms applied?*

THE FOLLOWING LIST comprises all the conditions to which the term debit and credit apply:

| | DEBITS. | | CREDITS. |
|---|---|---|---|
| 1. | Cash received. | 1. | Cash paid. |
| 2. | Others' notes received. | 2. | Others' notes disposed of. |
| 3. | Our notes redeemed. | 3. | Our notes issued. |
| 4. | What others owe us. | 4. | What we owe others. |
| 5. | Capital withdrawn. | 5. | Capital invested. |
| 6. | Outlay or loss. | 6. | Returns or gains. |

*What should be the conditions of debits and credits?*

THE DEBIT or debits must always equal in amount the credit or credits.

*Are the number and form of the books used in business always the same?*

THEY ARE NOT, but are modified to suit the requirements of each particular case. The principles of book-keeping, however, are never changed.

*What is a Book of Original Entry?*

A BOOK OF ORIGINAL ENTRY, as its name implies, is one in which the entry is first made.

*In what form are business transactions first recorded?*

In the form of a history.

*What is the book called which contains this history?*

A Day Book.

*What other books of Original Entry are there besides the Day Book?*

When the purposes of record are best served by separating and classifying the transactions at the very outset it is usually done through special books, such as the Cash Book, containing the record of receipts and disbursements of cash; the Sales Book, containing all sales of goods; the Invoice Book, containing all purchases, etc.

*What is the use of the Journal?*

The Journal is used to facilitate the transfer of the Day Book entries to the proper side of their respective accounts in the Ledger. It may also be a book of original entry by supplying proper explanations to each entry.

*What is Journalizing?*

Journalizing is the process of transferring entries from the books of original entry to the Journal.

*What is the Ledger?*

The Ledger is the reservoir of accounts; the receptacle of debits and credits from all other books.

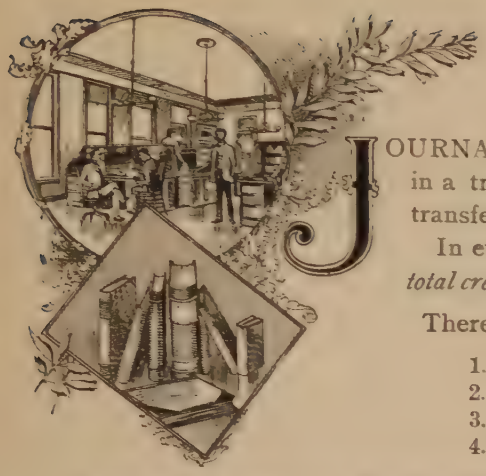
*What is an Auxiliary Book?*

An Auxiliary Book is one which is subordinate to, and independent of, the other books of the set. It is kept as a book of reference, and its entries are not transferred to any other book. The Memorandum Book, Check Book and Private Ledger are examples of auxiliary books.

# ABBREVIATIONS AND SIGNS.

| | |
|---|---|
| *Acct.* | Account |
| *Agt.* | Agent. |
| *Amt.* | Amount. |
| *Bgs.* | Bags. |
| *Bal.* | Balance. |
| *Bls.* | Bales. |
| *Bk.* | Bank. |
| *Brl.* | Barrel. |
| *B. B.* | Bill Book. |
| *Bot.* | Bought. |
| *Bxs.* | Boxes. |
| *Brot.* | Brought. |
| *Bills Rec.* | Bills Receivable. |
| *Bills Pay.* | Bills Payable. |
| *Cap.* | Capital. |
| *C. B.* | Cash Book. |
| *C. O. D.* | Collect on Delivery. |
| *Co.* | Company. |
| *Chgd.* | Charged. |
| *Ck.* | Check. |
| *Com.* | Commission. |
| *Cr.* | Creditor. |
| *Col.* | Collection. |
| *Const.* | Consignment. |
| *D. B.* | Day Book. |
| *Dep.* | Deposit. |
| *Dft.* | Draft. |
| *Dis.* | Discount. |
| *do.* | Ditto—the same. |
| *doz.* | Dozen. |
| *Dr.* | Debtor. |
| *Dray.* | Drayage. |
| *E. & O. E.* | Errors and omissions excepted. |
| *Exch.* | Exchange. |
| *Exp.* | Expense. |
| *Fol.* | Folio. |
| *F. O. B.* | Free on board. |
| *Frt.* | Freight. |
| *Ford.* | Forward. |
| *Gal.* | Gallon. |
| *Hhd.* | Hogshead. |
| *Hund.* | Hundred. |
| *I. B.* | Invoice Book. |
| *Int.* | Interest. |
| *Invt.* | Inventory. |
| *Inst.* | Instant—the present month. |
| *Ins.* | Insurance. |
| *Jour.* | Journal. |
| *J. F.* | Journal Folio. |
| *L. B.* | Letter Book. |
| *L. F.* | Ledger Folio. |
| *lbs.* | Pounds. |
| *Mdse.* | Merchandise. |
| *Mem.* | Memorandum. |
| *Mo.* | Month. |
| *M.* | One Thousand. |
| *No.* | Number. |
| *Nat.* | National. |
| *P. & L.* | Profit and Loss. |
| *P.* | Page. |
| *Payt.* | Payment. |
| *Pd.* | Paid. |
| *Per* | By. |
| *Pr.* | Pair. |
| *Pkg.* | Package. |
| *Ps.* | Pieces. |
| *Prem.* | Premium. |
| *Prox.* | *Proximo*—the next month. |
| *Recd.* | Received. |
| *R. R.* | Rail Road. |
| *Sunds.* | Sundries. |
| *S. B.* | Sales Book. |
| *Shipt.* | Shipment. |
| *Trans.* | Transaction. |
| *Ult.* | *Ultimo*—the last month |
| *Vs.* | Against. |
| *W. B.* | Way-Bill. |
| *Wk.* | Week. |
| *Wt.* | Weight. |
| *Yr.* | Year. |
| *Yds.* | Yards. |
| $ | Dollars. |
| ¢ *or cts* | Cents. |
| £ | Pound Sterling. |
| @ | At or to. |
| ℔ | Per or by. |
| % | Per cent. |
| a/c | Account. |
| B/L | Bill of Lading. |
| c/o | Care of. |
| 〃 | Ditto—the same. |
| √ | Check mark. |
| 4-4 | Four-quarters—one yard. |
| # | Number or pounds. |
| $1^{1}$ | One and one-fourth. |
| $1^{2}$ | One and two-fourths. |
| $1^{3}$ | One and three-fourths. |

# JOURNALIZING.



JOURNALIZING consists in determining the Debits and Credits in a transaction, and arranging these in convenient form for transferring to the Ledger.

In every correct journal entry the *total debits* must equal the *total credits*.

There are *four forms* in which journal entries may be made:

1. Where there is but *one debit* and *one credit*.
2. Where there are *several debits* and but *one credit*.
3. Where there is but *one debit* and *several credits*.
4. Where there are *several debits* and *several credits*.

In order to determine the debits and credits in any business transaction, we have the following:

## GENERAL RULE.

**Debit what you receive, or what costs value; Credit what you dispose of, or what produces value.**

The student must memorize this rule, and keep it constantly in mind when journalizing.

Year. FORM OF JOURNAL.

| Month | Day | Names of Dr. items or Debit Position | Names of Cr. items or Credit Position. | Dr. Column | Cr. Column |
|---|---|---|---|---|---|
| | | | | | |

*Parts.* By inspecting the above form it will be seen that a journal entry consists of five parts: 1st, date, being the year, month and day; 2d, names of debit items; 3d, names of credit items; 4th, amount of debit items; 5th, amount of credit items.

*Position.* The names of Dr. items are placed next to the date column, and this is called the *Debit Position*. The names of the Cr. items are placed farther to the right and below the Dr. items, and this is called the *Credit Position*. Thus it may readily be determined whether an item is a debit or credit by the position which the name occupies. The amounts of the Dr. items are placed in the first, or *Dr. column*. The amounts of the Cr. items are placed in the second, or *Cr. column*.

A business transaction has been defined as an exchange of values. In every exchange something is received, or has cost value; and something is given, or has produced value. The thing received is Dr. and the thing given is Cr. Therefore,

*In Journalizing*, ask yourself the question, 1st, What did I receive? or "What cost value?" and place the name of the item or items received in the *Debit Position* as shown above and the amount in the Dr. column; then 2d, "What did I dispose of," or "What produced value," and place the name of such item or items in the *Credit Position* and the amount in the Cr. column.

# EXERCISES IN JOURNALIZING.

BEFORE attempting to write up the Journal for the transactions on this and the following pages, the student should examine carefully the written form on the opposite page. Neatness and taste in penmanship, ruling and figures, together with correct forms, are highly important in book-keeping.

Rule a sheet of paper according to the Journal form, then journalize the following transactions as per form upon the opposite page. Do not copy the entries from the form, but apply the *General Rule* in every case. Place *To* before the names of Cr. items. Leave a vacant line between entries for ruling.

## EXERCISE I.

19—

January 1. Bought of John Brown for Cash, 10 brls. Beef at $10, $100.

By former definitions we see that beef, flour, pork, etc., are entered as Mdse. We bought Mdse. We received it. It cost value. Mdse. is therefore debited, and must be entered as a Dr. item. See form, opposite page. We have paid out Cash. It has produced us value. Cash is therefore credited, and must be entered as a Cr. item. See form, opposite page.

" 2. Sold Amos Smith for Cash, 6 brls. Beef at $11, $66.

Sold for *Cash*. Cash is received, therefore *Cash* is debited. Mdse. is disposed of, therefore *Mdse.* is credited. See form.

" 3. Bought of James Ransom for Cash, 10 brls. Flour at $10, $100; 50 brls. Pork at $8, $400. Total $500.

*Mdse.* is debited because we receive it. (Enter the total $500 as one amount.) Cash is credited because we disposed of it.

" 4. Bought of J. Thurman for Cash, a House and Lot on Park avenue for $2500.

By former definitions houses and lands are entered as Real Estate. Since Real Estate is bought or received, it will be debited, and since Cash is disposed of it will be credited.

" 5. Sold to William Allen for Cash, 10 brls. Beef at $10, $100; 5 brls. Flour at $6, $30. Total, $130.

Cash is debited. Why?

" 7. Bought of W. Parsons for Cash, a Farm in Henry County for $4000.

Cash is credited. Why?

" 8. Sold to Martin Beem for Cash, 4 brls. Beef at $10, $40.

" 9. Bought of Henry Seymour for Cash, 10 shares Union Bank Stock at $100, $1000.

Union Bank Stock Dr.

" 10. Sold to Wm. Lyman, House and Lot on Park avenue. Received in payment 200 brls. Flour at $10, $2000; 80 brls. Pork at $8, $640. Total $2640.

" 12. Bought of G. P. Frost for Cash, 3 brls. Kerosene at $5, $15; 4 brls. Lard Oil at $10, $40. Total $55.

" 13. Sold to W. H. Strong, 100 brls. Flour at $9, $900; 50 brls. Pork at $8, $400. Total $1300. Received in payment 13 shares C. B. & Q. R. R. Stock at $100, $1300.

C. B. & Q R. R. Stock Dr.

" 13. Bought of M. Perrine, House and Lot in Alton for $4100. Gave in payment for same the Farm purchased of W. Parsons, $4100.

" 14. Sold C. L. Wilson, 20 brls. Pork at $10, $200; 2 brls. Flour at $7, $14; Total $214. Received in payment 2 hhds. Sugar at $80, $160; 27 boxes Boston Crackers at $2, $54. Total $214.

" 16. Bought for Cash of Western Nail Co., 10 kegs Flooring Brads at $4, $40.

" 17. Sold Thomas Hamer 5 shares Union Bank Stock at $100, $500. Received in payment 5 cases Gingham, 5000 yds., at 10¢, $500.

January 19. Bought of Hiram Benne for Cash, Steamer Ivanhoe, valued at $12000.
Steamer Ivanhoe Dr.

" 20. Sold to W. D. Waller, 3 hhds. Sugar at $60, $180; 10 boxes Boston Crackers at $2.25, $22.50; 1 brl. Flour at $10.25. Total $212.75. Received in payment Cash.

" 21. Sold to Henry Sherman, 2 sacks Rio Coffee at $20, $40; 20 brls. Pork at $10.25, $205. Total $245. Received in payment 80 brls. N. Y. Salt at $2.50, $200; 150 lbs. Butter at 30¢, $45. Total $245.

" 22. Sold for Cash to R. Garvin, 20 boxes Boston Crackers at $2.25, $45; 20 brls. N. Y. Salt at $3, $60; 75 lbs. Butter at 35¢, $26.25. Total $131.25.

January 1, 19—

| | | | | |
|---|---|---|---|---|
| | Mdse | 100 | | |
| | To Cash | | | 100 |
| " 2 | Cash | 66 | | |
| | To Mdse | | | 66 |
| " 3 | Mdse | 500 | | |
| | To Cash | | | 500 |
| " 4 | Real Estate | 2500 | | |
| | To Cash | | | 2500 |
| " 5 | Cash | 130 | | |
| | To Mdse | | | 130 |
| " 7 | Real Estate | 4000 | | |
| | To Cash | | | 4000 |

TO THE STUDENT.

When you have Journalized all of the month of January, present your work to the teacher for inspection. When correct, copy same into your Journal, and rule up between the entries.

Keep your work neat and clean, without a soil or blot. Do not attempt any flourishes or ornamentation in your writing; likewise avoid heavy shading. In writing figures aim at plainness, and acquire the habit of always placing units of the same order directly under those above.

# EXERCISE II.

## Promissory Notes.

A *Promissory Note* is a written promise to pay a certain sum of money at a specified time or on demand.

Promissory notes are very extensively used in business, and serve as a great convenience in transferring indebtedness from one person to another. Thus, suppose Brown owes Smith $500. If the debt is represented by Brown's promissory note, Smith can readily sell the paper, or discount it at his bank, and realize its value, without waiting until it falls due.

The *Parties* to a promissory note are the *maker*, the *payee* and, in some cases, the *indorser*.

The *Maker* of a note is the person who signs it, and is obligated to pay it when due.

The *Payee* is the person to whom the note is made payable.

The *Indorser* is the one who writes his name upon the back of the note.

An *Indorsement* is any writing (usually the name) upon the back of commercial paper, either for the purpose of guaranteeing its payment or transferring its title. The person who writes his name upon the back of the paper is called an *indorser*, and the one to whom the paper is transferred is called an *indorsee*.

The *Face* of a note is the amount named in the note. Thus the face of the note given below is $200.

Notes are made to fall due a certain number of days after date, or "On demand" or "On or before" a certain date.

*Days of Grace* are three days allowed for the payment of notes after they become due. When the last day of grace falls upon Sunday or a legal holiday the paper matures on the day previous.

The *Maturity* of a note is the last day of grace, or the final day of payment.

Accommodation Paper is that which is given to aid a person in borrowing money. Thus A and B exchange notes. A can then sell or discount B's note when he could not do so with a note bearing his name alone. Likewise B could use the note received from A. The person who receives an accommodation paper and uses it, is expected to pay it at maturity, although if he does not pay it, the person who accommodated him with his signature will have to pay

### Form of Promissory Note.

$200.00 Chicago, Sept. 2 1900

Ninety days after date I promise to pay to the order of Samuel Stewart

Two Hundred Dollars

Payable at

Value received with Interest at 6% per annum

No. Due Dec 4/99 Geo. R. Davis

*Other Persons' Notes* or written promises are called *Bills Receivable*. They are so called because we will *receive* the amount named at maturity.

*Our Notes* or written promises are called *Bills Payable*. They are so called because we must *pay* the amount named at maturity.

The student must learn to distinguish clearly between Bills *Receivable* and Bills *Payable*. This may be done by carefully studying the above definitions.

RULE II.—*When you receive another person's note, you should Dr. Bills Receivable; and when you dispose of that note Cr. Bills Receivable.*

19—

February 1. Sold Stephen Johnson on his Note, 10 brls. Sugar at $8, $80.

We have received a Bill Receivable, hence Bills Rec. is Dr. Mdse. is Credited as in the previous exercise.

" 2. Bought of H. Seymour for Cash, 15 brls. Pork at $12, $180; 300 bu. Corn at 40c, $120. Total $300.

" 3. Sold to Joseph Burton for Cash, Stephen Johnson's Note, $80.

" 5. Sold to W. Harrigan on his Note, 40 brls. Pork at $12.50, $500.

" 6. Bought of W. K. Nathan, 387 bu. Corn at 20¢, $77.40; 500 bu. Oats at 40¢, $200; 200 bu. Wheat at $1, $200; 226 bu. Rye at 10¢, $22.60. Total $500. Gave in payment W. Harrigan's Note, which I received on the 5th instant, $500.

" 7. Bought for Cash of H. W. Seymour, 20 brls. Flour at $8, $160.

RULE III.—*When you issue your note you should Cr. Bills Payable, and when you redeem it Dr. Bills Payable.*

19—

February 8. Bought of J. Harrigan on my Note, 20 pieces Merrimac Prints at $3, $60.

We have issued our Note, which is Bills Payable, hence Bills Pay. is Cr. Mdse. is debited as in the previous exercise.

" 10. Borrowed Cash of J. Steward on my Note, $375.

" 11. Paid Cash for my Note, favor of J. Harrigan, $60.

" 12. Bought of Thomas King on my Note, 15 boxes Cigars at $10, $150; 10 sacks Coffee at $5, $50; 6 boxes Crackers at $2, $12; 9 boxes Toilet Soap at $2, $18. Total $230.

" 13. Bought of Charles Humes, House and Lot, No. 195 Dearborn Avenue, for $4000. Gave in payment my Notes as follows: One Note due 6 months from date for $1400, one due 8 months from date $1400, and one due 12 months from date for $1200. Total $4000.

" 15. Sold to Henry A. Wise on his Note at 60 days, 50 bu. Corn at 40¢, $20; 7 boxes Cigars at $10, $70; 4 boxes Toilet Soap at $2.50, $10. Total $100.

" 16. Exchanged Notes with Warren Spencer for our mutual accommodation, each made for $600.

" 17. Sold Charles Fox, 25 brls. Pork at $8, $200. Received in payment his Note, $200.

" 18. Paid Cash for my note due in 6 months for $1400.

" 19. Bought of W. Gordon, 6 shares Railroad Stock at $100, $600. Gave in payment Warren Spencer's Note, $600.

" 20. Bought of Strong & Co. on my Note, 50 kegs Nails at $4, $200; 3 doz. Saws at $25, $75; 6 doz. hinges at $6, $36. Total $311.

" 23. Received Cash of Charles Fox, in payment of his Note of the 17th instant $200.

" 24. Paid Cash for my Note, due 8 months from date, favor of Charles Humes for $1400.

" 26. Sold to Geo. Walker, 4 shares Railroad Stock at $100, $400. Received in payment Samuel Boyd's Note endorsed by Geo. Walker for $400.

Write the promissory note mentioned in Feb. 15th with 6% interest. In the absence of printed forms, write the note upon a neatly cut slip of paper about 3½x7 inches in size. After writing in the name of the payee, amount, etc., fill the remaining space with a wave line, in order that no room may be left wherein words, letters or figures may be afterwards inserted, thus changing or "raising" the note.

Present your work to the teacher for inspection. When correct, copy into your Journal and rule up.

## EXERCISE III.

### Several Debits or Credits.

An *Item* in book-keeping is any distinct or separate portion of an entry.

*Sundries* is a term used to signify *several items*, either debits or credits.

The student will have occasion to become better acquainted with the use of the word Sundries further on in his work, when posting to the Ledger. The term is omitted here for the sake of simplicity, and also because its use in the Journal has been discarded by a large proportion of good book-keepers.

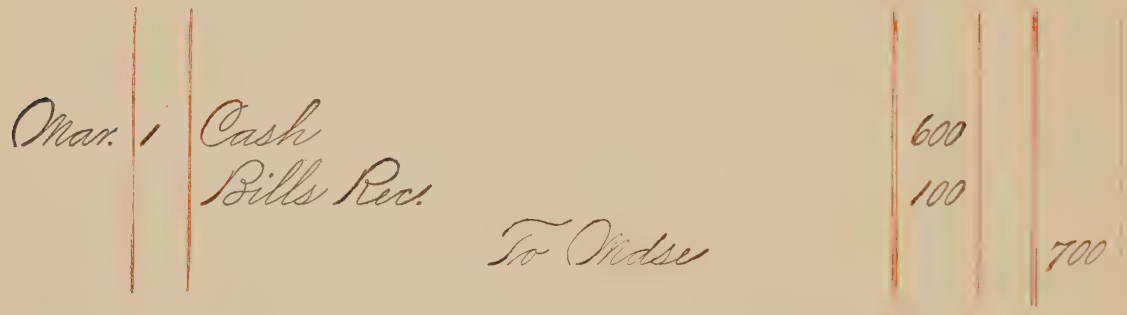
Rule IV.—*Whenever you receive or pay out more than one thing, as Cash, Mdse., etc., write first the debit item or items, then write the credit item or items, using one line for each item.*

Note.—*To* is placed before credit items, but when there are several credits, instead of repeating the word, we use the ditto marks (″) below the first.

19—

March 1. Sold John Smith, 100 brls. Flour at $7, $700. Received in payment, Cash, $600; his Note at 30 days for balance, $100.

According to the above rule, this entry, when made, will appear as follows:

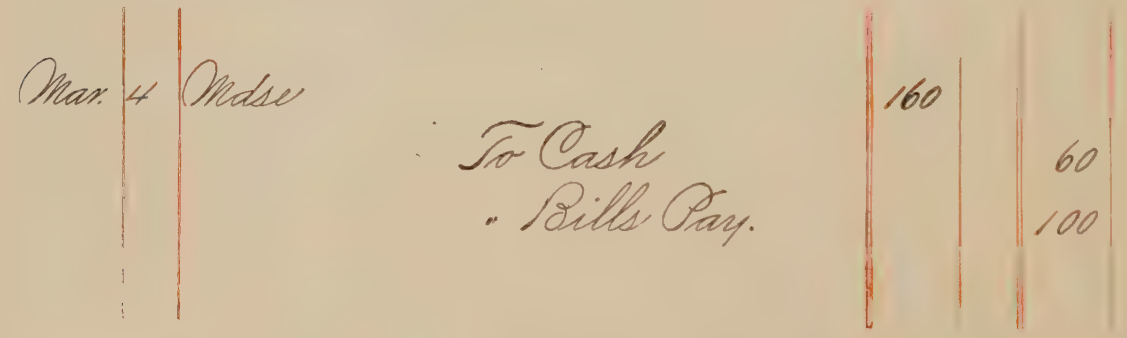



″ 2. Sold John Smith's Note for $100. Received in payment Cash, $25; Merchandise amounting to $75. Total $100.

″ 3. Sold William Anderson 20 brls. Sugar at $18, $360. Received in payment his Note for $200; Cash for balance, $160.

″ 4. Bought of Henry Turner, 20 brls. Flour at $8, $160. Paid him Cash, $60; my Note at 60 days for $100. Total $160.

The above entry will be made as follows:



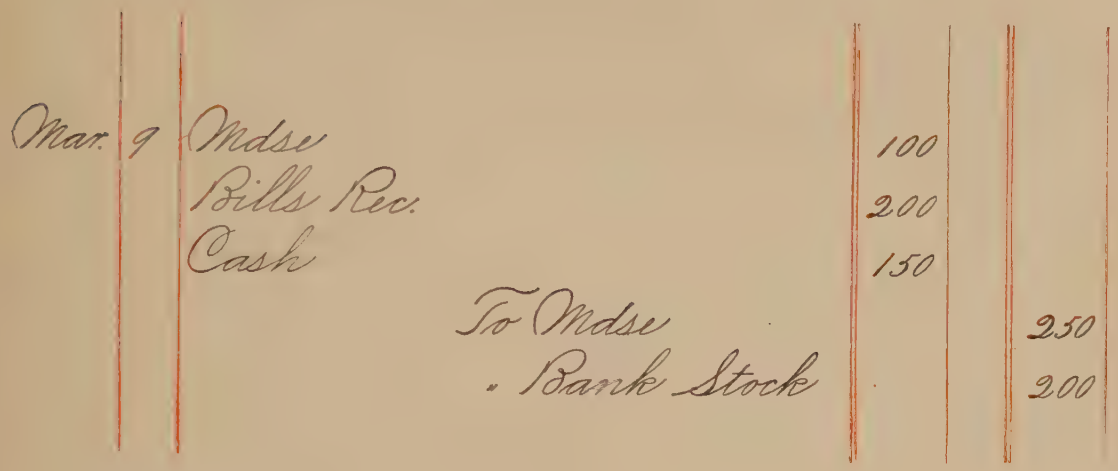

″ 4. Bought of James Dennis, 5 shares Bank Stock at $200, $1000. Paid him my Note at 90 days for $200; 1000 bu. Wheat at 60¢, $600; Cash for balance, $200.

″ 5. Sold Harrison Smith, 2 shares Bank Stock at $200, $400; 20 brls. Flour at $10: $200. Total $600. Received in payment Cash in full, $600.

″ 6. Bought of C. W. Coleman, 200 bu. Corn at 40¢, $80; 5 shares Railroad Stock at $120, $600. Total $680. Paid for same my Note at 30 days, drawing 7% interest.

19—
March 7. Paid Henry Turner for my Note of the 4th inst., $100. Cash, $50; 10 brls. Pork at $5, $50. Total $100.

" 9. Sold R. Snyder, 50 brls. Flour at $5, $250; 1 share Bank Stock, $200. Total $450. Received in payment 10 brls. Pork at $10, $100; his Note at 30 days for $200; Cash for balance, $150. Total $450.




" 10. Bought of C. O. Godfrey, House and Lot for $1200; 50 brls. Fish at $7, $350. Total $1550. Paid him 2 shares Bank Stock at $200, $400; 50 brls. Pork at $10, $500; R. Snyder's Note for $200; my note for $200; Cash for balance, $250.

" 11. Bought of L. Johnson for Cash, 300 bu. Wheat at $1.50, $450.

" 12. Paid Cash for my Note of the 4th inst., $200.

" 15. Sold House and Lot purchased on the 10th inst. for $1500. Received in payment Stock of goods for $1200; James Andrew's Note for balance, $300.

" 16. Sold John Goodspeed, 50 brls. Sugar at $20, $1000. Received in payment his Note for $300; Cash for balance, $700.

" 17. Bought of Henry Troyman for Cash, 200 bu. Apples at 30¢, $60.

" 18. Paid my Note, favor of C. O. Godfrey, for $200. Gave 100 bu. Corn at 60¢, $60; Cash for balance, $140.

" 19. Received Cash for John Goodspeed's Note for $300.

" 20. Loaned James Hunter, Cash on his Note, $800.

" 22. Paid Cash for Bill of goods amounting to $1200.

" 25. Sold Thomas Kennedy on his Note, 300 bu. Corn at 50¢, $150; 200 bu. Wheat at $1.25, $250; 40 brls. Pork at $10, $400; 300 brls. N. Y. Salt at $2, $600. Total $1400.

" 26. Received Cash of Thomas Kennedy for his Note of the 25th inst., $1400.

" 27. Sold to Amos Duncan 500 brls. Flour at $6, $3000; 20 shares Union Bank Stock at $100, $2000. Total $5000. Received in payment Cash $1000; James Anderson's Note for $2000; his Note at 90 days for balance $2000.

Write the promissory note in March 6, making it payable at Union National Bank.

Present your work to the teacher for inspection and approval.

When correct, copy into your Journal and rule up.

# EXERCISE IV.

## Personal Accounts.

*Personal Accounts* are those which are opened with persons, firms or corporations.

The object of a personal account is to show what we owe to others and what they owe us.

*On Account* signifies the same as "on credit," and means that the transaction is evidenced by an entry upon the books, and not by a note or other written agreement.

*A Bill* is a written statement of goods sold or services rendered, showing the amount and price of each article, terms of sale, etc.

A bill is "receipted" by writing the words "Received Payment" and the seller's name at the bottom. A part payment may be credited upon the bill by writing the words "Cr. By Cash $—" or "Cr. By Note 30 ds. $—".

Rule V.—*When you become indebted to a person, or when a person pays you an account, Cr. that person.*

Rule VI.—*When a person becomes indebted to you, or when you pay a person on account, Dr. that person.*

19—

April 1. Bought of Henry Wilson, Mdse. amounting to $1250, for which I owe him on account.

"*On account*" is the same as "on credit." Henry Wilson is credited.

" 2. Sold R. Banks, Mdse. amounting to $500, for which he owes me on account.

" 3. Bought of David Jones, 50 brls. Flour at $6, $300. Paid him Cash $100; balance on account, $200.

Cr. David Jones for the "balance on account."

" 4. Sold L. Bingham, 50 brls. Flour at $9, $450. Received his Note at 30 days for $200; balance he owes me on account, $250.

" 6. Received of R. Banks, Cash on account, $250.

" 7. Paid Henry Wilson, Cash on account, $500.

" 8. Sold W. Lyman on account, Mdse. amounting to $600.

" 10. Sold R. Davis J. A. Cooper's Note at 30 days, for which he paid me Cash, $200.

" 11. Paid David Jones on account, my Note at 60 days for $200.

" 12. Paid Henry Wilson on account, Cash, $300; also paid David Jones on account, Cash, $100. Total $400.

" 13. Bought of S. Dunn, Mdse. on account, $500; also bought of H. Warren, Mdse. on account, $450. Total $950.

" 15. Paid S. Dunn on account my Note at 30 days, for $200, payable at First National Bank, 6 % interest.

" 16. Received of L. Bingham on account, my Note, favor of S. Dunn, $200; Cash for balance, $50.

" 17. Paid Henry Wilson on account, James Berry's Note for $200; also my Note at 30 days for $100. Total $300.

" 18. Received of R. Banks on account, my Note, favor of John Simmons, for $200.

" 20. R. Wilson has this day assumed the balance due from W. Lyman $400.

When a person assumes the debt of another, Dr. him, and credit the person who is thereby released from the obligation.

" 21. Sold A. D. Campbell, a bill of Goods for $235. Received in payment James H. Smith's Note his favor, $235.

19 —

April 22. Sold John Hunter on his Note at 30 days, 50 brls. Pork at $9, $450; 10 brls. Flour at $10, $100. Total $550.

" 23. Paid Henry Wilson on account, my Note at 90 days for $100; William King's Note for $50. Total $150.

" 24. Sold A. A. Blair, 15 brls. Flour at $6.50, $97.50; 20 brls. Pork at $9.75, $195; 600 bu. Corn at 35¢, $210; 100 brls. Salt at $1.75, $175. Total $677.50. Received in payment his Note at 15 days for $175. M. F. Deale's Note at 30 days for $230; balance on account $272.50.

" 25. Bought of C. O. Smith, 10 shares Union Bank Stock at $100, $1000. Gave in payment my Note at 10 days drawing 6% interest for $400; Cash $600.

" 26. Borrowed of C. Fraser on account $160 Cash to be returned in ten days.

" 28. Paid M. L. Walker Cash on account $56; also for our Note of $75 due today. Total $131.

" 30. Journalize the following bill as Mason & Osgood's book-keeper.

NEW YORK, *Sept. 15, 19*

*Messrs. John King & Co.*

TERMS 30 DAYS

BOUGHT OF MASON & OSGOOD

| | | | | | |
|---|---|---|---|---|---|
| 32 | lbs. | *Y. H. Tea* | .45 | 14 40 | |
| 75 | " | *Java Coffee* | .20 | 15 | |
| 25 | kits. | *Mackerel* | $1.80 | 45 | |
| 48 | bxs. | *Herring.* | 27½ | 13 20 | |
| 15 | " | *Val. Raisins* | $1.40 | 21 | |
| | | | | | 108 60 |

" 30. Journalize the above as John King & Co's. book-keeper.

Write the bill for April 22 and receipt it thus:

*Received Payment*
*By Note at 30 days.*
*(Your Name.)*

Present your work to the teacher for inspection. When correct copy into your Journal and rule up neatly.

## EXERCISE IV.

### Drafts and Bills of Exchange.

A *Draft* is a written order or request drawn by one person upon another, requesting that person to pay a specified sum of money to a third person.

*Bills of Exchange* are in effect drafts. The name is usually applied to drafts in which the party drawn upon resides in a foreign state or country.

The *Parties* to a draft are the *drawer*, *drawee* and *payee*.

The *Drawer* of a draft is the person who signs it and thus requests the payment of the money.

In the draft given below M. Snowden is the drawer.

The *Drawee* is the person on whom the draft is drawn, or who is to pay the sum of money specified.

In the draft given below J. W. Hunter is the drawee.

The *Payee* is the person to whom the money is made payable by the draft.

In the draft given below James Anderson is the payee.

The *Theory of a Draft* is the supposition that the drawee has funds in his possession belonging to the drawer, or is owing the drawer. Drafts are sometimes drawn where there is no indebtedness, but simply an agreement between the parties.

A *Sight Draft* is one which is payable at sight or upon presentation.

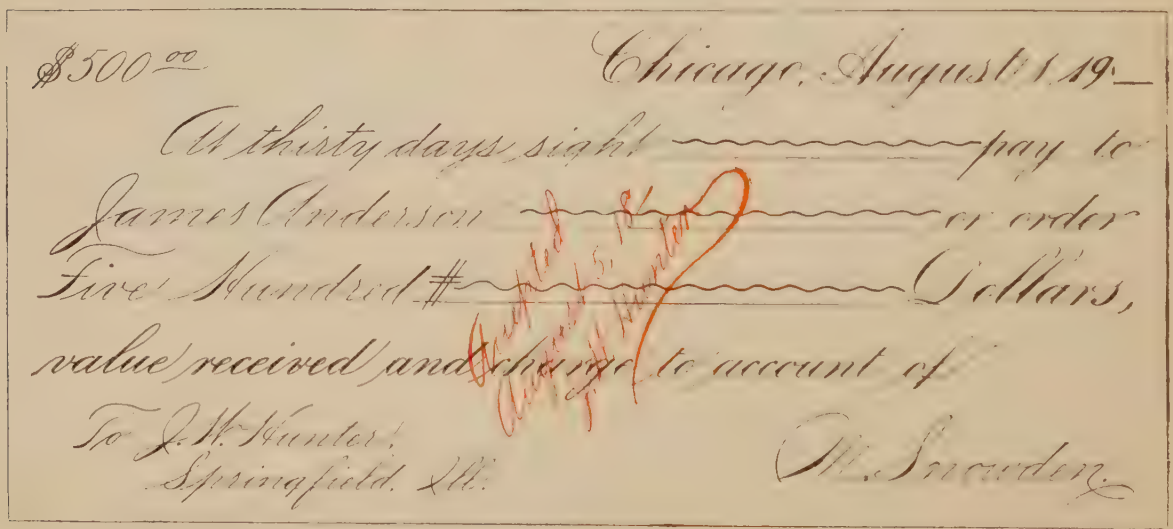
A *Time Draft* is one which is payable a specified time "after date" or after sight.

Time drafts have days of grace the same as promissory notes.

*Acceptance.* When a time draft is presented to the drawee, he signifies his willingness to pay it at maturity by "accepting" it. This is done by writing the word "*Accepted*", with the name and date across the face of the draft, usually in red ink. The paper is thereafter called an "*Acceptance*", and becomes the same as the acceptor's promissory note.

To *Honor* a draft is to pay it, if a sight draft, or accept it if a time draft.

### Form of Time Draft and Acceptance.




*In Snowden's Journal.*

In the above draft Snowden will receive value when he issues the paper. He will debit what he receives. Hunter produces this value by his agreement to pay. Therefore Hunter should be credited.

*In Hunter's Journal.*

Hunter accepts the draft, which is equivalent to signing a note. Therefore he will credit Bills Pay. He does this for Snowden. Therefore Snowden has cost him value and should be debited.

*In Anderson's Journal.*

Anderson has received an "Acceptance" or Bills Rec. and hence will debit it. He has no doubt paid Snowden some value in Cash, Mdse. or other commodity and such will be credited.

From the foregoing explanations we have the three following rules covering drafts and acceptances:

### Drawer's Rule.

Rule VII.—*Whenever you draw a bill of exchange, draft or order on a person, credit that person. Debit what you receive as in other cases.*

19—

May 1. Sold Henry Spencer for Cash, my draft on J. W. Hunter for $500.
Cash is Dr. because we received it. J. W. Hunter is Cr. because he produced value to us.

" 2. Bought of F. E. Warner, 100 pcs. Merrimac Prints at $3, $300. Gave in payment my Draft on J. Berry.

" 3. Received Cash of J. Andrews for my Draft on J. Jones at 10 days' sight for $300.

" 4. Sold Henry Simmons on his Note, my Draft on W. F. Parsons for $450.
Bill Rec. Dr.

" 5. Paid my Note for $500, favor of S. Bogardus, by giving sight Draft on Geo. W. Myers.

### Payee's or Indorsee's Rule.

Rule VIII.—*Whenever you receive or purchase a draft or order drawn on another person, debit Bills Receivable; and when you dispose of it credit Bills Receivable.*

May 6. Bought of John Simpson for Cash, his Draft on Louis Knight for $300.

" 8. Bought of S. Whitney his Draft on Frank Jones for $800. Gave in payment my Note for $500; Cash for balance, $300.

" 9. Sold to S. M. Wicker, my Draft on Andrew Wilson for $265. Received in payment Cash, $120; his Note for balance, $145.

" 10. Bought of W. B. Hoswell, for Cash, his Order on Hiram Pointer, $200.

" 12. Bought of S. Whitney, his Draft on Frank Jones for $500. Gave in payment my Note for $500.

" 12. Bought of Charles Warren, 30 brls. Flour at $6, $180; 10 brls. Pork at $10, $100. Total, $280. Gave in payment W. B. Hoswell's Order on Hiram Pointer for $200; Cash for balance, $80.

### Drawee's Rule.

Rule IX.—*Whenever a person draws a bill of exchange, or draft on you which you honor, debit that person. Whenever you accept a bill of exchange or draft Cr. Bills Payable, and when you pay your acceptance Dr. Bills Payable. Accepting a draft is the same in effect as giving your note.*

19—

May 13. Accepted James Williams' Draft on me at 10 days for $300.

" 14. Bought of H. Thomas on my Acceptance at 30 days, 30 pcs. Broadcloth, 720 yds., at $2, $1440; 35 pcs. Merrimac Prints, 1400 yds., at 10¢, $140. Total $1580.

" 16. Sold James Goodman on his Acceptance at 30 days, 10 pcs. Broadcloth, 200 yds., at $3, $600; 20 pcs. Merrimac prints, 800 yds., at 15¢, $120. Total $720.

" 17. Sold for Cash, James Goodman's Acceptance of the 16th inst. for $720.

19—

May 18. Accepted John Young's Draft on me at 5 days' sight, favor of Henry Walker, for $500.

" 18. Sold J. W. Woodbury, 20 brls. Flour at $6, $120; 10 brls. Pork at $8.50, $85; 50 brls. Salt at $2, $100. Total $305. Received in payment his Draft at sight on J. Berry for $150; Cash $50; balance on account, $105.

" 19. Paid Cash for James Williams' Draft on me, favor of J. W. Webster, accepted on the 13th inst., for $300.

" 20. Sold Henry Spencer on his Note, 300 bu. Corn at 40¢, $120; 100 bu. Wheat at $1.50, $150. Total $270.

" 20. We owe L. H. Ames $200 on account. He has drawn on us at 30 days sight, favor of L. J. Gage, for amount, and we have accepted the draft.

" 21. Sold C. Lock, 100 brls. Flour at $9, $900. Received in payment his Draft, dated May 18, at ten days' sight on J. Good, accepted by Good on May 20th, for $500; Cash for balance, $400.

" 21. Bought of John Davis & Co., 200 bu. Corn at 35¢, $70; 500 bu. Oats at 25¢, $125; 600 bu. Wheat at 50¢, $300. Total $495. Gave in payment our Draft at sight on C. D. Holmes for $100; Cash $100; Accepted their Draft on us at 30 days' sight favor J. Dean for balance $295.

" 24. Received of L. J. Gage on account, the Draft which we accepted on the 20th, his favor, for $200.

" 25. Bought on my Note at 30 days, 300 bu. Corn at 40¢, $120; 80 bu. Wheat at $1.40, $112; 200 brls. Salt at $1.50, $300. Total $532.

" 26. Sold Henry Clark on his Acceptance, 100 bu. Corn at 50¢, $50.

" 27. Bought on my Acceptance at 30 days, House and Lot on Michigan Avenue for $3500.

" 28.

*No. 1.* *Chicago, May 28, 190—.*

*At ten days sight pay to the order of*

*A. C. Armstrong* ..... *$500*

*Five Hundred* ..... *Dollars,*

*and charge to account of*

*To J. N. Roe,*
*New York.*

*John Davis & Co.*

Make John Davis & Co.'s entry for the above draft, supposing that he gave it to A. C. Armstrong on account.

" 29. Make A. C. Armstrong's entry when he receives it.

" 29. A. C. Armstrong presents the draft to J. N. Roe and has it accepted. Make Roe's entry.

" 30. A. C. Armstrong now delivers the draft to Claflin & Co. on account. Make Armstrong's entry.

" 30. What entry will Claflin & Co. make?

" 30. At maturity the draft is presented and paid in Cash. Make J. N. Roe's entry.

" 31. What entry will Claflin & Co. now make?

Write the Acceptance of May 21, inserting your own name at the proper place.

Present your work to the teacher for inspection and approval.

When correct, copy into your Journal, and rule up.

# EXERCISE VI.

## INTEREST.

***Interest*** **is the** ***use of money,*** or the measure of the net profit on capital.

The student must not get the idea that he receives or pays *interest,* but receives or pays *for* interest or for the use of money.

RULE X.—*Debit interest when it costs you.*

RULE XI.—*Credit interest when it produces you.*

19—

June 1. Paid Cash for Interest on my Note, $29.

Interest is debited.

" 2. Received Cash for Interest on J. W. Strong's Note, $8.50.

" 3. Bought of S. Bogardus on my Note at 30 days, 240 bu. Potatoes at 30¢, $72.

" 4. Sold James Humes on his Note at 60 days, 250 bu. Corn at 40¢, $100.

" 5. Received Cash of J. Southard for his Note and Interest thereon to date. Face of Note, $1000; Interest, $10.50. Total $1010.50.

" 6. Paid Cash for Interest on my Note at 10 days, favor of James Berry, $16.30.

" 7. Sold John Jones on account, 30 brls. Fish at $8, $240; 27 bu. Wheat at $1, $27; 300 bu. Oats at 40¢, $120; 20 doz. Brooms at $1.25, $25. Total $412.

" 9. Paid R. Warren Cash for my Acceptance, $500; Interest on same, $12. Total $512.

" 10. Sold Geo. Jones, Merchandise amounting to $500. Received in payment my Note which I gave Wm. Harrison, $300; Interest due and allowed on same, $10; balance in Cash, $190.

" 11. The Note given May 9th is now due in favor of J. Mershon. Face of Note, $400; Interest, $3.75. Total $403.75. I have paid for same with new Note for full amount, $403.75.

" 12. Bought of J. Walters, bill of Goods for $2000. Paid him for same his Note at 3 months for $1000; Interest on same to date, $50; my Note at 30 days for $450; Cash for balance, $500.

" 13. J. Denney's Note of the 3d is now due. Face of Note, $700; Interest on same to date, $2.50. Total $702.50. Received for same new Note at 30 days, $702.50.

" 15. Received Cash of Henry Spencer for his acceptance for $300; also for Interest on same, $9. Total $309.

" 16. Paid Cash for Interest on my Note of the 20th ult., $15.75.

" 17. Paid my Note, favor of J. Gould, for $800; Interest due and allowed on same, $60. Gave in payment James Berry's Note for $600; Interest on above Note, $20; Cash for balance, $240.

" 20. Sold Henry A. Wilmot, 10 brls. Sugar at $12.50, $125; 10 doz. Brooms at $1.25, $12.50. Total $137.50. Received in payment 300 bu. Corn at 30¢, $90; 10 bu. Wheat at $1, $10; his Draft on James Smith for balance, $37.50.

" 21. Paid Cash for my Acceptance with Interest. Face of Acceptance, $500; Interest, $20. Total $520.

" 22. Sold John Walters on account, Henry Troyman's Note at 30 days for $300; Interest due to date, $8. Total $308.

Write the Note of June 4, interest 6%, payable at First National Bank.

Present your work to the teacher for inspection. When correct copy into your Journal and rule up.

# EXERCISE VII.

## Premium and Discount.

*Premium* is a sum paid for the value of commercial paper, usually drafts, above their face.

*Discount* is a sum allowed or deducted from the face value of commercial paper.

Thus when drafts upon any city or country are in unusual demand by reason of a general movement of crops or goods in a certain direction, drafts upon such city or country will sell at a premium. And when the reverse conditions prevail, drafts may be bought at a discount.

*Premium* and *Discount* may also be called species of interest, in which premium is a sum paid in addition to the principal or debt; and discount is an allowance deducted from the principal for the payment before it is due.

Rule XII.—*When you pay more for a draft or note than its face, Dr. Premium. When you receive more for a draft or note than its face, Cr. Premium.*

Rule XIII.—*When you pay less for a draft or note than its face, Cr. Discount. When you receive less for a draft or note than its face, Dr. Discount.*

19—

July 1. Bought of D. S. Dow, Mdse. amounting to $1500. Accepted his Draft on me at 60 days for same, $1500.
See second clause of Rule IX.

" 2. Bought of R. Brooks & Co. for Cash, their Draft on J. Thompson at 1% premium. Face of Draft, $1000; Premium, $10. Total $1010.
See Rules VIII and XII.

" 3. Sold for Cash to J. R. Penn, my Draft on L. Johnson, Cleveland, at 1% premium. Face of Draft, $400; Premium at 1%, $4. Total $404.
See Rules VII and XII.

" 4. Have this day drawn on J. W. Webster at 10 days, and discounted same at Union Bank. Face of Draft, $1000. Cash received, $998.30; Discount off, $1.70.

" 5. Bought of S. Thompson, Merchandise amounting to $8000. Paid him for same, my Draft on R. Martin at 1% discount. Face of Draft, $1000; Discount on same, his favor, $10; the balance I owe him on account, $7010.
Discount Dr.

" 6. Bought of D. Swansey & Co. for Cash, their Draft on S. Thompson at 1% premium, which I have remitted to the said Thompson on account. Face of Draft, $2500; Premium at 1%, $25. Total $2525.
Premium Dr.

" 8. I have this day paid S. Thompson on account, my sight Draft on S. Shaw at ½% premium. Face of Draft, $2000; Premium on same, $10. Total $2010.

" 9. Bought of Commercial Bank for Cash, their sight Draft on R. Good & Co., New York, at ¾% premium, and remitted same to S. Thompson on account. Face of Draft, $2000; Premium at ¾%, $15. Total $2015.

" 11. Bought of R. Brown, an invoice of Mdse. amounting to $4000. Paid him for same my Bill of Exchange on James Walters, Boston, at 1¼% discount. Face of Bill, $3000; Discount off, $37.50; Cash for balance, $1037.50.

" 12. I have this day taken up my Acceptance, favor of D. S. Dow, dated 1st inst., at 60 days. Face of Draft, $1500. Paid in Cash, $1485; Discount off at 1%, $15.

" 13. Exchanged Note with R. Davis, for our mutual accommodation, each drawn at 30 days, for $500. I have discounted his Note at Traders National Bank. Discount off. $5.50; net proceeds received in Cash, $494.50.
Bills Pay Cr.

19—

**July** 14. Received of Martin & Co., New York, their Note in full for balance due on account at 90 days, dated June 25th, which I have discounted in Commercial Bank at 6%. Face of Note, $2000. Received Cash, $1975.33. Discount off, $24.67.

Martin & Co., Cr.

" 15. Sold Johnson & Co. Mdse. amounting to $900. Received in payment their Draft at sight on Fuller & Co., Detroit, for $450; their Note at 10 days for $450. Total $900.

" 16. Paid Wm. Henderson on account, the following Draft at 1% discount:

*$250.* (*City and State*) *July 16, 19—*

*At sixty days sight.....pay to*

*Wm. Henderson.....or order*

*Two Hundred Fifty.....Dollars*

*Value received and charge to account of*

*To S. M. Moore,* *Student.*

*Cincinnati, O.*

Write the draft and note in July 15; interest on note 7%, payable at their office.

Present your work for inspection and approval. When correct copy into your Journal and rule up.

## EXERCISE VIII.

### Shipments or Consignments.

*Shipment* is a term applied to goods shipped away for sale on commission.

Merchants frequently find a portion of their stock unsalable. Perhaps they have over-purchased, or the goods are going out of season, or have become damaged or "shop worn". In order to dispose of such stock and make room for new goods, they are sent to a commission merchant in any locality where the market for such goods may be favorable, to be sold on commission.

*Consignment* is a name given to goods *received* to be sold on commission.

Thus the *shipper* of the goods calls them a *shipment*, while the *receiver* of the goods, who is usually a commission merchant, calls them a consignment.

The *Consignor* is the shipper.

The *Consignee* is the person or firm to whom the goods are shipped.

Goods received for sale on commission are said to be *consigned*.

Goods shipped away for sale on commission still remain the property of the shipper, and hence we cannot debit the consignee for their value. Thus a shipment differs from a sale. "For account and risk" of the consignor, signifies that the goods are still his property.

An *Account Sales* of a shipment is a statement rendered by the consignee to the consignor, showing the amount of sales, charges and net proceeds.

The *Net Proceeds* is the balance after all charges have been deducted from the total sales.

A *Shipment on Joint Account* is where the commission merchant agrees to share the profits or losses on the shipment with the consignor.

The object of this arrangement is to stimulate the consignee to greater care and vigilance in effecting sales. However, such shipments are rare in business.

To distinguish different shipments the name and address of the person to whom shipped is generally used.

### Rules for Shipments.

Rule XIV.—*When you ship goods away to be sold on commission, make shipment to the person's name and place you send them, Dr. for the cost of Mdse. and charges, and Cr. what you dispose of, as in other cases.*

Special attention is called to the fact that in the above rule Shipment, etc., is debited for not only the cost of the Mdse. but also for the charges, which usually consist of freight, cartage, insurance, etc. The object is to ascertain what the entire shipment has cost us, and hence all such charges must be added to the value of the Mdse. to find the amount for which the Shipment should be debited.

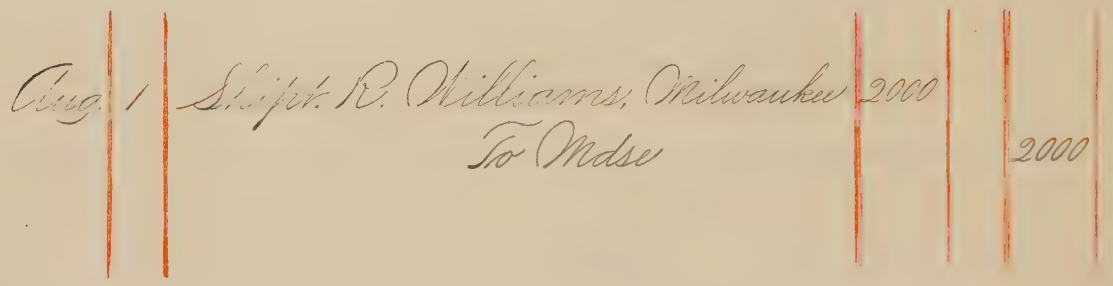
RULE XV.—*When the Shipment is sold and the seller or consignee sends you an Account Sales, Cr. Shipment to the person's name and place; and if the seller does not remit the net proceeds Dr. him. If you receive payment, Dr. what you receive.*

In shipments on joint account debit the Consignee for one half (or other portion) of the goods, debit *Shipment* for the remainder and credit what is disposed of.

19—

August 1. Shipped to R. Williams, Milwaukee, to be sold on my account and risk, 400 brls. Flour at $5, $2000.

According to Rule XIV this entry will appear as follows:




" 2. Shipped per steamer Lora, and consigned to Scott & Co., Buffalo, to be sold on my account and risk, 2500 bu. Wheat at 80¢, $2000; 600 bu. Corn at 40¢, $240. Total $2240.

" 3. Shipped per C., B. & Q. R. R. to A. S. Davis, Aurora, to be sold on my account and risk, 100 brls. Pork at $8, purchased this day of Armour & Co., per my Note at 60 days, $800.

Not having these goods in store we have purchased them, and as they were shipped directly, and were never received into our store, we need take no account of the Mdse., but make the entry as if we had shipped our note. However, if thought preferable, two entries can be made—one for the purchase of the Mdse. and another for the shipment.

" 4. Bought of Phillips & Wells, on account, 4 hhds. Sugar, 5200 lbs., at 8¢, $416; 2 hhds. N. O. Molasses, 128 gal., at 25¢, $32. Total $448. Shipped same by C., M. & St. P. R. R. to James French & Co., Minneapolis, to be sold on my account and risk.

The same explanation applies here as given in the previous entry, except that instead of crediting our note, we would credit the persons whom we owe on account.

" 8. Received of R. Williams, Milwaukee, an Account Sales of 200 brls. Flour, shipped him the 1st inst. Net proceeds, which he owes me on account, $1245.

See Rule XV.

" 9. Shipped to J. B. McClure, Cleveland, O., to be sold on joint account, each one half, 1000 lbs. Dairy Cheese at 15¢, $150; 80 firkins Creamery Butter, 440 lbs., at 20¢, $88. Total $238.

Debit *Shipment J. B. McClure, Cleveland*, for one-half, and debit J. B. McClure for the remaining half.

" 10. Shipped per I. C. R. R. and consigned to Hill & Wood, New Orleans, for sale on my account and risk, 200 brls. Minnesota Flour at $6, $1200; paid Cash for Freight and Drayage on same in advance, $45. Total $1245.

" 13. Shipped per steamer Detroit, and consigned to J. Lawrence & Co., Boston, to be sold on my account and risk, 120 brls. Flour at $5, $600; also per his order, 100 brls. Flour at $5, $500. Total $1100.

When you ship goods per another man's order, debit him. Shipment of goods in response to an order is a sale.

19—
August 14. Received telegram that the unsold remainder of my shipment to Milwaukee was destroyed by fire in the warehouse of R. Williams. The Flour was insured in the Home Insurance Co. to the amount of $800.

Since our loss will exceed the above amount, we shall hold the Insurance Co. for the face of the policy.

" 16. Shipped by R. R. to H. Windsor, St. Paul, to be sold on my account, 150 brls. Flour, from store, at $5, $750; also per his order, 100 tierces Beef, bought of Hamer & Co., on my Note at 30 days at $12, $1200.

" 17. Discounted my Sight Draft on R. Williams at 1%. Face of Draft, $1245. Discount, $12.45. Cash Received, $1232.55.

" 18. Received of James French & Co., Minneapolis, an Account Sales of consignment of the 4th inst. Net proceeds, $485.25.

" 19. Shipped James Sexton, Omaha, to be sold on my account and risk, 300 boxes Cheese, 11940 lbs., at 7¢, $835.80; 30 tubs Butter, 3030 lbs., at 10¢, $303; Insurance and Drayage, $27, paid in Cash. Total $1165.80.

" 21. J. Lawrence & Co. have this day rendered an Account Sales of 60 brls. Flour, shipped them on the 13th inst. Net proceeds, $435, for which they have remitted their Acceptance at 30 days.

" 21. Shipped to A. B. Cummings & Co., Detroit, Mich., for sale on joint account of themselves, A. C. Duncan, Indianapolis, Ind., and myself, each one third, 1000 brls. Apples at $1.40, $1400.

" 22. Received of A. S. Davis, Aurora, an Account Sales of 100 brls. Pork, shipped him on the 3rd inst. Net proceeds, $1050. I have drawn on him at sight for same, and discounted Draft at Merchants Bank. Discount off, $5.25; proceeds received in Cash, $1044.75.

" 23. Received of H. Windsor, St. Paul, an Account Sales of 150 brls. Flour, shipped on the 16th inst. Net proceeds, $825. Received in full for same, invoice of Coffee, $825; paid Cash for freight, $54. Total $879.

Debit Mdse. for the freight.

" 25. Received Cash of Home Insurance Co., in settlement of loss on Flour shipped to R. Williams on the 1st inst., $800.

" 26. Received an Account Sales from J. B. McClure, Cleveland, O., of our shipment of the 9th inst., on joint account, our one half, $134.80.

" 26. Received the following per morning's mail:

OMAHA, NEB., AUG. 25, 19—

Account Sales of Butter and Cheese.
Sold for Account of Student.

JAMES SEXTON, Commission Merchant.

| 19— | | | | | | | |
|---|---|---|---|---|---|---|---|
| Aug. | 21 | 20 tubs Butter, | 2020 lbs., 18¢. | 363 | 60 | | |
| " | 23 | 300 bxs. Cheese, | 11940 lbs., 9¢. | 1074 | 60 | | |
| " | 25 | 10 tubs Butter, | 1010 lbs., 20¢. | 202 | | | |
| | | | | | | 1640 | 20 |
| | | CHARGES. | | | | | |
| Aug. | 21 | Freight, 16.25, Cartage, 3. | | 19 | 25 | | |
| " | 25 | Commision 5%. | | 82 | 01 | 101 | 26 |
| | | Net Proceeds. | | | | 1538 | 94 |
| | | E. & O. E. | | | | | |

### Rules for Consignments.

**Rule XVI.**—*When property is received for sale on commission, make the person's consignment Dr. for the charges paid if any, Debit it for subsequent charges, and finally for the net proceeds.*

**Rule XVII.**—*Credit the person's Consignment for all sales of property belonging to it.*

19—

August 26. Received of John F. King, Los Angeles, Cal., 50 boxes Oranges, for sale on his account and risk. Paid freight on same in Cash, $12.

According to Rule XVI the above entry will appear as follows:

| | | | | | |
|---|---|---|---|---|---|
| Aug. | 26 | John F. King's Consn. | | 12 | |
| | | To Cash | | | 12 |

" 27. Received of Wm. Brown, Rochester, N. Y., for sale on his account and risk, 200 brls. Belle Flower Apples. Paid Freight, $45, and Cartage $12 in Cash.

" 28. Sold for Cash, 50 boxes Oranges belonging to John F. King's Consignment at $3.50, $175.

According to Rule XVII we credit John F. King's Consignment. Were we to credit Mdse. it would indicate that we had sold our own goods. The entry will stand as follows:

| | | | | | |
|---|---|---|---|---|---|
| Aug. | 28 | Cash | | 175 | |
| | | To John F. King's | | | |
| | | Consignment | | | 175 |

" 28. Our commission at 5% on the sale of 50 boxes Oranges is $8.75.

Under Rule XVI we debit John F. King's Consignment for this as for other charges, and we credit Commission because it produced value.

" 28. Rendered John F. King an Account Sales of his 50 boxes Oranges. Net proceeds we have remitted in Cash $154.25.

Debit John F. King's Consignment.

" 29. Sold to John W. Rogers on his Note at 30 days, 100 brls. Belle Flower Apples, Wm. Brown's Consignment at $3.75, $375.

" 30. Received of Chas. W. Davis, New Orleans, for sale on his account and risk, 25 brls. N. O. Molasses. Paid Freight and Cartage in Cash $27.50.

" 31. Sold to N. S. Dawson for Cash 100 brls. Belle Flower Apples, Wm. Brown's Consignment at $4, $400.

" 31. Our commission on Wm. Brown's Consignment of 200 brls. Apples at 5% amounts to $38.75.

" 31. Rendered Wm. Brown an Account Sales of his 200 brls. Belle Flower Apples. Net proceeds we have placed to his credit $679.25.

Write the Account Sales for above entry. Present your work for inspection and approval. Copy and rule up.

# EXERCISE IX.

## Expense and Profit and Loss.

*Expense* is a name given to all amounts expended for the purpose of carrying on the business.

*Profit and Loss* includes all items of direct or immediate loss to the business, such as goods stolen or destroyed by fire, etc.

Rule XVIII.—*Debit Expense for all expenses incurred by the business, such as employes' salaries, rent, fuel, books and stationery.*

Were it desired to keep a more detailed record, this could be done by keeping an account with Advertising, Salaries, Rent, etc.

Rule XIX.—*Debit Profit and Loss for all immediate losses, and credit it for all immediate gains.*

If an article which has been charged to Expense or Profit and Loss, is afterward sold, such account must be credited for the amount of the sale.

19—

Sept. 1. Bought of J. Cook & Co. for Cash, set of books for store, for $15.50.
Expense is debited.

" 2. Rented store on State Street, paying Cash in advance for one month's rent, $250.

" 3. James Allen having failed, has compounded with me at 50%. Received Cash, $300; lost the remainder, $300. Total $600.

" 5. Paid David Spencer, clerk, Cash for one month's services, $100.

" 6. We found this morning that our store was entered in the night by burglars, who stole Cash, $200; sundry articles of Dry Goods amounting to $75. Total $275.
Profit and Loss Dr.

" 7. The Merchandise purchased of Henry Spencer, and left in his store by us, has been destroyed by fire. Total loss $250.

" 9. The thieves who entered our store having been arrested, the officers have returned to us Cash, $50: also, goods amounting to $45. Total $95.
Cr. Profit and Loss.

" 10. Paid my Note, favor of Henry Simpson, by giving him a new Note for $300, and paying him as an inducement, Cash, $10.

" 11. Bought at auction a quantity of Mdse. for $600, which I have sold before removing for $700. Net Gain received in Cash, $100.

" 12. Paid Cash for postage stamps, $8.

" 13. Paid Henry Warner, drayman, Cash for services, $12.50.

" 14. Lost my watch, valued at $150, at the Sherman House, and found a $20 gold piece, which I have put into the business.

" 15. Paid *Tribune's* bill for advertising to date, $75.

" 17. Paid Wilmington Coal Co. Cash for 25 tons Coal at $6, $150.

" 18. H. Williams owes me on account $84; he having become insolvent, the amount is lost.

" 18. Compromised with Henry Young, who has failed, he paying only 25% on his Note of $500. Received in Cash, $125; lost, $375.

" 20. Paid the following bills in Cash: J. D. Harvey, for one month's rent of store, $250; Chicago Gas Co. for one month's light, $20; Chicago *Times* for advertising $15. Total $285.

19—

Sept. 21. Paid Cash for a special watchman to guard our store, one month $25.

" 22. John Stanton's Note for $140 which we hold is found to be worthless, and is accordingly charged to Profit and Loss.

" 23. Purchased of W. R. Hill & Co., on account a quantity of office stationery for use in store amounting to $35.

" 24. Sold to Williams & Co., for Cash, 1½ tons of Coal at $6.50, $9.75 from our winter's supply.

" 24. Paid Cash $25 to Brownell & Duncan, lawyers, for their services in collecting claim against Henry Young.

Debit Profit and Loss.

" 25. The assignee of H. Williams having converted the assets into Cash, has paid me a dividend of 25% of my claim, amounting to $21.

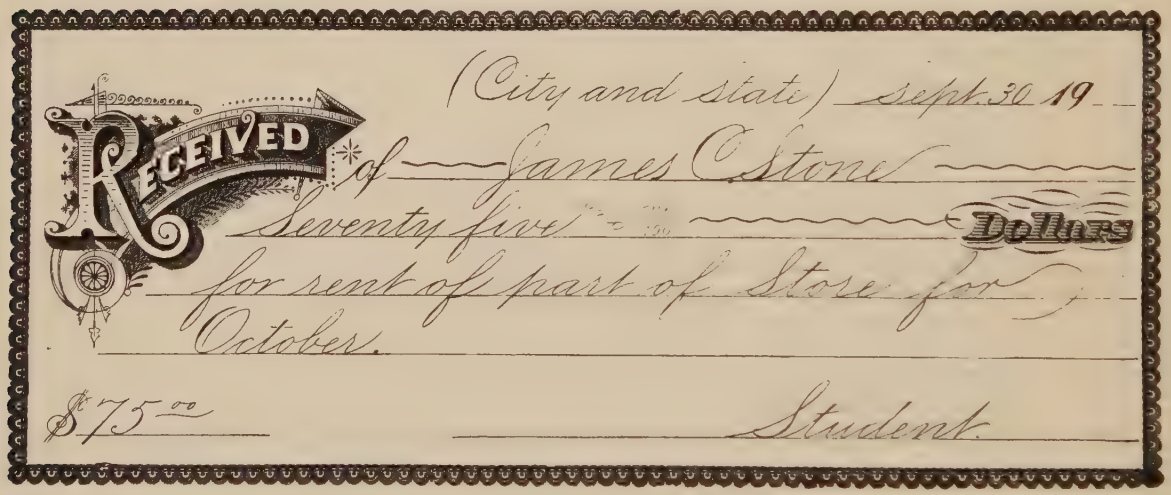
Since this item has been charged to Profit and Loss, we must now credit Profit and Loss for the amount received, as we consider it actually a gain.

" 27. On examining our Cash at night, we find a $20 counterfeit bill, received from an unknown customer.

" 28. Sold for Cash, postage stamps amounting to $1.60.

" 30. Having sub-let a portion of our store for the month of October, we have collected the rent in Cash and issued the following

RECEIPT.




In writing receipts for various purposes the last line may read, "in full"; "in full of account," "to apply on account," etc., as the case may be.

Write the receipt for Sept. 3, "in full of account."

Present your work for inspection and approval. Copy and rule up.

# EXERCISE X.

## Proprietor's Account.

**The *Proprietor* of a business must have an account opened with himself in order to show his relation to the business.**

The term *Stock* is sometimes used instead of the proprietor's name.

Before a set of books can be opened a statement of Resources and Liabilities must be made. The proprietor is then to be credited with the amount of his resources. He will also be credited with any future investments which he may make, as they are made. He should be debited with his liabilities, at the commencement of business, and also for any amounts withdrawn from the business for private use.

The proprietor's account is very similar to any other personal account, and is to be treated upon the same principles. He is accountable to the business for every dollar which he takes out of it, and the business is accountable to him for every dollar which he has put into it. He is *not the business*, but a distinct and separate element or character, who merely *conducts the business*. He is therefore debited for amounts which *he owes the business* and credited for amounts which *the business owes him*, the same as any outside party would be.

Rule XX.—*Debit the different kinds of property invested, and credit the proprietor for the amount of his investment.*

Rule XXI.—*Debit the proprietor for the amount of his liabilities and for all amounts withdrawn for private use.*

The resources invested in a business must be debited, since they are received by the concern, and the liabilities must be credited, under proper titles, because they have produced these resources in whole or in part.

19—

October 1. Henry Smith commenced business this day with a Cash capital of $3000.

Aug. 1 | Cash ... 3000
To Henry Smith ... 3000

" 5. Geo. Walters commenced business with the following: Cash on hand, $1800; Mdse., $3400; Lyman Munger's Note for $600; John Jenny owes on account, $150. Total $5950.

" 6. Geo. Walters owes, on commencing business: Notes outstanding, $450, B. F. Munson on account, $180. Total $630.

" 7. J. H. Provine commenced business this day with the following resources: Mdse. on hand, $1800; Cash in Bank, $750; Store and Lot valued at $2000. Total $4550. His liabilities are: David C. Cook on Note, $400; Henry Simmons on account, $80. Total $480.

Debit the Resources, credit the Liabilities and credit J. H. Provine with the difference to balance the entry.

" 8. J. H. Provine has this day paid in Cash, Grocery bill for family amounting to $35.

" 9. J. M. Barker's assets at commencing are: Cash $3500; Merchandise $4800, Notes against sundry persons, amounting to $1250, and an account against John D. Cooper for $675. Total $10225. His liabilities are: Outstanding Notes, amounting to $1875, and an account due Geo. W. Porter for $250. Total $2125.

19—
October 10. J. M. Barker has paid Cash for new suit of clothes, for personal use, $40.

" 12. Geo. M. Peters commenced business with Cash in hand, $250; deposit in Union National Bank, $1700; 8 shares C., B. & Q. R. R. Stock at $100 per share, $800; Merchandise, $4000. He owns the store building on Main Street, worth $7000, upon which there is a Mortgage Note of $1000, favor G. Mason with $25 Interest due on same. He owes Geo. Hainline on account, $760.

Mortgage Note is Bills Payable.

" 13. Geo. M. Peters has taken from the Cash Drawer, for personal use, $20.

" 14. Geo. M. Peters having received a legacy from a deceased parent, has invested in business, Cash, $360.

## EXERCISE XI.

### Partnership Accounts.

Each *Partner* in a business must have an account upon the books of the business in order to exhibit his relation to other partners and to the business.

When two or more persons enter into a co-partnership, a statement must first be made of the property to be invested by each. Each partner is then credited with the amount of his investment. He should also receive due credit for all future investments made by him.

If liabilities of any partner are assumed, at the opening of business, by the firm (which is not usually done), the partner should be charged with the amount of such obligation.

It will thus be seen that each partner's account in a co-partnership enterprise is treated in a similar manner to the account of a single proprietor, as previously explained.

Rule XXII.—*Debit the different kinds of property invested, and credit each partner for the amount of his investment.*

Rule XXIII.—*Debit each partner for the amount which he draws out of the concern, or for obligations assumed or paid by the firm for him.*

When a partner *goes out* of the business we make exactly the reverse entry to that of an investment—debit him and credit the assets which he carries with him.

19—
October 14. M. Williams and James Turner have this day entered into partnership.

M. Williams invests: Cash on hand, $2000; Mdse. in store, $3000; Bills Receivable, $500. Total $5500.

James Turner invests: Cash in Bank, $3000; account against John Doe, which the firm accepts, $1000. Total $4000.

" 14. M. Williams has withdrawn Cash for private use, $125.

" 15. J. W. Webster and F. Durell have completed arrangements for the consolidation of their different mercantile pursuits. The style of the firm will be J. W. Webster & Co.

J. W. Webster invests his present stock of Hardware, valued at $8000; Notes on hand, $575; Cash in hand, $425. Total $9000. He owes the following debts which the firm assumes: Harrison Gardner, $300; Bills Payable, $500. Total $800.

F. Durell invests: Stock of Agricultural Implements valued at $1800; Notes on hand, $2500; Cash, $3000. Total $7300.

" 20. F. Durell has this day received a bequest from a deceased relative, Cash, $1500, which he has invested in the business.

19—

October 25. The firm of J. W. Webster & Co. have this day admitted their head salesman, Samuel Drew, as a third partner in the business, who invests, Cash, $3000.

" 25. The firm of Brown & Graham has this day dissolved, James Brown retiring from the business. Geo. Graham continues the business, and pays the retiring partner for his interest, Cash, $4000.

" 26. F. W. Jones and James C. Smith commence business as follows, viz.: Jones invests Cash on deposit in Exchange Bank, $3000; Stock of goods, worth $1500; an account against W. H. Sayer & Co. for $500, and a Note against Dodge & Robbins for $800, which the firm agree to accept at 5% discount. Total $****.

This discount is a gain to the firm and must therefore be credited, while the note must be entered for its face value.

" 26. Smith invests, Cash, $1800; Merchandise, valued at $1350; 100 shares First National Bank Stock at $50 per share, 75% of the same being paid in, $3750; and a Note against Burke & Barnes for $600, on which there is accrued interest at 6% for one year. Total $****.

" 27. G. W. Holmes and Henry Murray formed a partnership for the purpose of conducting a retail grocery business. Holmes invests, Cash $2500; Stock of goods, worth $1000, a Note against Wm. Dawson $350 that has been drawing interest for 6 months at 6%. Accrued interest $10.50. Total $****.**.

" 27. Murray invests, Cash $500; Note against C. W. Dorsey for $300; an account against Wilson & Co. for $1000 which the firm will accept at a valuation of $975; Horses, and Wagons, complete, worth $500; Store building $4000; Store Fixtures $250. Total $****. Murray owes: J. B. Lyons on account $180; Samuel E. Potter on Note $1100. Total $1280.

Debit Horse and Wagon account for the value of the horses, wagon and harness. Debit Fixtures for the value of the store fixtures.

" 28. The firm of Davis & Wilson has this day been dissolved by mutual consent. E. C. Davis retires from the firm, and Wm. Wilson continues the business and pays the retiring partner for his share: Note at 30 days, $2000, and the following

CHECK.

(City and State) Oct. 28, 19—

First National Bank.

Pay to the order of E. C. Davis $1800.

Eighteen Hundred Dollars.

No. 248 Wm. Wilson

Write the Check as above and the Note to accompany it.

Present your work for inspection and approval. Copy and rule up.

## EXERCISES FOR REVIEW.

19—

Nov. 1. Bought of Simon Morris, on my Note at 30 days, 8 tons Prairie Hay at $13, $104; 80 bu. Oats at 33¢, $26.40; 240 bu. Corn at 45¢, $108. Total $238.40.

" 2. Sold J. D. Odell, 80 brls. Patent Flour at $6, $480; 25 brls. Prime Pork at $11, $275. Total $755. Received in payment, Cash, $400; his Note at 60 days for balance, $355.

" 3. Paid J. Manning & Co. on account, my Draft at sight on C. J. Duncan for $250.

" 4. Sold James Hunter, 30 brls. Fish at $9, $270; 20 doz. Brooms at $1.25, $25; 10 brls. A Sugar at $12.50, $125. Total $420. Received in payment my Note, favor Julius Hudson, $320; Interest due and allowed on same, $6.20; Cash for balance, $93.80.

" 5. Bought of Union Trust Co. for Cash, their Draft on New York at 1% premium, and remitted same to C. H. Wadsworth, New York, to apply on account. Face of Draft, $800. Premium on same, $8. Total, $808.

" 6. Sold James Hammond, 150 bu. Spring Wheat at 40¢, $60; 500 bu. Yellow Corn at 30¢, $150. Total $210. Received in payment his Draft at 5 days' sight on Samuel D. Barr for $100; Cash for balance, $110.

" 6. Bought of George W. Hubbard, 2 $500 U. S. Bonds at $102⅝, $****.**. Gave in payment, Cash, $500; Marvin Andrew's Note, C. C. Pickett's favor, $200; my Note at 30 days for balance, $***.**.

" 8. Accepted D. B. Cook's Draft on me at 10 days' sight, favor J. C. Skeen, $860.

" 9. Received of Louis Norton, on account, my Acceptance, favor Robert C. Duncan, $600.

" 11. Sold Henry Otis on his Note at 30 days, my Draft at sight on Luther Johnson for $460.

" 12. Paid S. S. Hamilton on account, my draft on Henry Warner at 1% premium. Face of Draft, $400; premium, $4. Total $404.

" 13. Bought of Alex. McCune, an invoice of Merchandise amounting to $3600. Paid him for same my Bill of Exchange on Henry Seymour, Boston, at 2½% discount. Face of Bill, $2600, discount off $65; Cash for balance, $1065.

" 15. Shipped J. D. Campbell, Columbus, Ohio, for sale on my account and risk, 200 brls. Greening Apples at $2.50, $500, also, per his order, 300 bu. Early Rose Potatoes, bought of A. C. Burton on account at 80¢, $240. Total $740.

" 16. Redeemed my Note, favor A. W. Lesley, for $630, by giving Merchandise, $600; discount off, $30.

" 18. Received of John D. Stanton, on account, his Draft at 3 days' sight on W. R. Robinson, and by him accepted for $300.

" 19. Paid Geo. B. Lathrop & Co., Cash for painting and calcimining store $75.

" 20. Received of J. D. Campbell, Columbus, Ohio, an Account Sales of Apples and Potatoes, shipped on the 15th inst. Net proceeds, $825.60, for which he has remitted his Note at 30 days.

" 22 Henry Moore having failed, has paid his Note at 25¢ on the dollar. Face of Note, $860. Cash received, $215. Paid lawyer, Nelson Simonds, Cash for making the collection, $5. Lost the balance, $645.

" 22. Drew on John D. Brown, Reading, Pa., at 15 days' sight, for $280, which he has accepted and returned to me.

" 23. Paid Cash for insurance on store and stock of goods, $80.

19—

Nov. 24. H. W. Wheeler has invested the following resources: Mdse., $1680; Cash $340; J. Warner's Note for $430; interest accrued on Note to date, $8.50; an account against J. W. King for $425, considered worth $400.

" 25. Sold John Smith, a bill of goods amounting to $268.50. Received in payment James Davis' Draft on me (Smith's favor) for $375. Gave a 30 days' Note signed by J. B. Middleton, favor O. W. Potter, for $150; Interest on same to present date $1.20; and the difference is settled in Cash.

" 26. Received of J. C. Martin & Co., on account, Cash, $200; their Note at 30 days for $150. Total $350.

" 27. Sold Geo. R. Davis, for Cash, my Sight Draft on Eaton & Duncan, Detroit, at $\frac{1}{2}\%$, premium. Face of Draft, $500; premium, $2.50. Total $502.50.

" 29. Bought of John B. Russell, 20 brls. Flour at $7,50, $150; 10 brls. Mackerel at $9, $90. Total $240. Gave in payment my Note at 30 days, with interest at 6% added in face of Note. Interest $1.32. Face of Note, $241.32.

" 29. Sold Geo. Duncan, a bill of Merchandise amounting to $500. Received in payment, S. Dennis' Note, Duncan's favor, dated Oct. 20th, at 60 days, for $360. Interest allowed on same to date at 6%, $2.40. Cash for balance.

" 30. Bought of L. G. Gage, for Cash, at $\frac{1}{4}\%$ premium the following draft, which I have endorsed and remitted to A. J. Downing, Boston, on account:

*No. 628.* (*City and State*) *Nov. 30, 190—.*

*At sight pay to the order of*

(*Student*).....$1200.

*Twelve Hundred*.....*Dollars.*

*Value received and charge to account of*

*To H. B. Stanton,*
*New York.*

*L. J. Gage.*

Make Gage's entry for the above draft.

Dec. 1. Bought of A. L. Merriman & Co., Pittsburgh, on account, bill of goods amounting to $186.40. Paid Cash for freight on same, $6.20. * Total $192.60.

" 2. Received of J. G. Brown, on account, his Draft on A. M. Hudson, at 1% discount, which I have remitted to said Hudson to apply on account. Face of Draft, $75.

" 3. Shipped per Steamer "Chicago," and consigned to J. H. Carpenter, Buffalo, to be sold on joint account of himself and myself, each one-half, 1000 brls. Apples at $2.50, $2500; 200 brls. Minnesota Flour at $5, $1000. Paid Cash for drayage, storage and insurance, $30. Total $3530.

" 4. Received John Dale's Note at 30 days for one month's rent of house, No. 285 Warren Avenue, $40.

" 6. Bought of L. B. Munson, Merchandise amounting to $350. Gave him my Draft at 5 days' sight on Wm. J. Anderson for $420, at 1% discount. Received a Note signed by Marshall Field, favor of Potter Palmer, and endorsed by Munson, for $120, on which he has allowed a discount of 1%. The balance is paid in Cash.

" 7. Received of Mason & Bower, on account, Cash, $200; their Note at 10 days for $200; their Draft on A. J. Carnes for $125.

" 8. Sold William C. Mason, for Cash, a bill of goods amounting to $125, but by an error he has paid me $135.

" 9. Sold J. H. Goldsmith, Atlanta, Ga., 20 brls. W. W. Flour at $6, $120; 5 chests Y. H. Tea, 520 lbs., at 50¢, $260; 50 brls. Pork at $12.50, $625. Total $1005. Received in payment his check on Union National Bank of Atlanta, $625; A. W. Harrison's Draft dated St. Louis, Dec. 4, at 10 days' sight on me, accepted Dec. 7th, Goldsmith's favor, for balance, $380.

*Add the cost of freight to the Mdse. as it increases the cost of the Mdse.

19—

Dec. 10. Bought of D. D. Morse for Cash, horse, harness and delivery wagon for use of store, $860.

Horse and Wagon, Dr.

" 11. Received of J. H. Carpenter, Buffalo, an Account Sales of produce shipped him on the 3rd inst. on joint account. My one-half net proceeds, $1342.70, he owes me on account.

" 13. Paid Cash for shoeing horse and repairing wagon, $3.50.

" 14. Bought of P. D. Armour & Co., 50 brls. Pork at $11, $550. Gave them my Draft on Pratt & Walker at $\frac{1}{4}\%$ premium. Face of Draft, $580. Premium, $1.45. Balance due me on account.

" 15. Bought of Harwood & Co., Milwaukee 50 brls. Cranberries at $5, $250. Paid them my Note at 30 days for $100; my Sight Draft on Andrew Hosmer at 1% discount for $100; Cash for balance, $51. Discount on above Draft (my loss) $1.

" 16. Sold John Smith, for Cash, 2 tons Coal from my winter's supply of fuel, $18.

" 17. Refunded to William C. Mason, in Cash, the amount of his over-payment on the 8th inst., $10.

" 18. The following draft has this day been presented to me, and I have paid same in Cash:

*Louisville, Ky., Dec. 15, 190—.*

*At sight pay to the order of*

*L. H. Townsend..... .....$150.*

*One Hundred Fifty.....Dollars.*

*Value received and charge to account of*

*To (Student)* *Waterbury & Holmes.*

*(Your City and State.)*

" 20. Sold A. C. Duncan, 20 brls. Kerosene Oil, 800 gals. at 16¢, $128. Received in payment his Note at 60 days, with interest at 8% added in face of Note. Interest, 63 days, $1.79. Face of Note, $129.79.

" 22. Shipped to Pratt & Hammond, New York, to be sold on my account and risk, 1000 bu. Corn at 40¢, $400; 500 bu. Barley at 50¢, $250. Total $650. Prepaid freight on same, $45. Also, to be sold on joint account of themselves two-thirds and myself one-third, 500 lbs. Dairy Cheese at 18c, $90; 300 lbs. Creamery Butter at 20¢, $60; 800 lbs. Butterine at 15¢, $120. Total $270. Prepaid freight on same, $7.80.

" 23. Paid Foster & Duncan on account, Cash, $80.

" 24. Paid Cash for freight on goods just received, $10.80.

" 27. Exchanged Notes with J. H. Provine for my accommodation, each drawn at 30 days, for $1000. I have discounted his Note at Union Trust Co. Bank. Discount, 6%, $5.50. Proceeds, $994.50, received in Cash.

" 28. Chas. B. Hamilton commenced business with Cash in hand, $250; eighty shares C., B. & Q. R. R. Stock at $100 per share; Merchandise, $9000; building and lot, 245 Lake Street, valued at $12000, upon which he owes $500 on Mortgage Notes, with $100 interest due on same. He owes Geo. Dexter, on account, $250.

" 29. Paid Cash to John Kennedy, book-keeper, for salary to date, $30.

" 30. Chas. B. Hamilton has this day admitted James C. Myers as a partner in the business, who invests, Cash, $5000; Note against Marshall Field for $500, on which there is interest accrued, $20; an account against L. M. Penrose for $250, which the firm accepts at 75¢ on the dollar.

Write the bill, properly receipted, the check and the acceptance in Dec. 9th.
Present books and papers for approval. Copy, rule up.

## QUESTIONS FOR REVIEW.

1. What does Journalizing consist in? 2. What must be the condition of the debits and credits in every Journal entry? 3. How many forms of Journal entries are there? 4. What are they? 5. What is the General Rule for Journalizing? 6. Under what name is Beef, Flour, Pork, etc., entered? 7. How do you enter Houses and Lands? 8. In case you purchase Bank Stock what do you debit? 9. What is a Promissory Note? 10. How many parties are there to a Promissory Note, and what are they? 11. Who is the maker? 12. Who is the payee? 13. Who is an endorser? 14. What is the purpose of writing the payee's name upon the back of the note? 15. How many days of grace have notes? 16. When is the maturity of a note? 17. What is a Bill Receivable? 18. What is a Bill Payable? 19. When you receive another person's note what do you debit? 20. When you dispose of that note what do you credit? 21. When you issue your note what do you credit? 22. When you redeem that note what do you debit? 23. What is an item in book-keeping? 24. What is the meaning of the word Sundries? 25. What is a Draft? 26. What is a Bill of Exchange? 27. Who are the parties to a draft? 28. Define the drawer, drawee, and payee. 29. Give the theory of drafts. 30. Define a Sight Draft. 31. Define a Time Draft. 32. Define an Acceptance. 33. When you draw a draft or order on a person what do you credit? 34. When a person draws on you what entry do you make? 35. What entry do you make when you receive a draft drawn by another person upon some third party? 36. What are Personal accounts? 37. What do we mean by the expression "on account"? 38. What is a bill? 39. How do you receipt a bill? 40. When do you debit a person? 41. When do you credit a person? 42. When you buy of a person on account what do you credit? 43. When you sell to a person on account what do you credit? 44. When you pay a person on account what entry? 45. When a person pays you on account, what entry? 46. Define Interest. 47. When do you debit interest? 48. When do you credit interest? 49. Define Premium. 50. Define Discount. 51. When do you debit Premium? 52. When do you credit Premium? 53. When do you debit discount? 54. When do you credit discount? 55. When merchandise is shipped away for sale on commission, what name do you give it? 56. Why do merchants ship goods to commission merchants for sale instead of selling it themselves? 57. What is a Consignment? 58. Who is the Consignor? 59. Who is the Consignee? 60. What is an Account Sales? 61. Define Net Proceeds. 62. What is a shipment on joint account? 63. If you pay charges on a shipment, what do you debit? 64. When you receive an Account Sales, what entry? 65. When you receive a consignment for sale, and pay charges on same, what entry do you make? 66. When you sell goods belonging to a consignment, what entry do you make? 67. After the Consignment is sold, and you wish to charge up your commission, how is it done? 68. How do you enter the Net Proceeds when you render an Account Sales to the shipper? 69. Define Expense. 70. Define Profit and Loss. 71. For what is Expense debited? 72. For what do you debit Profit and Loss? 73. Before a set of books can be opened, what must be done? 74. How is the term Stock used by some accountants? 75. For what do you credit the proprietor? 76. For what do you debit the proprietor? 77. In what respects does the proprietor's account resemble any other personal account? 78. When the proprietor or a partner makes an investment, what entry do you make? 79. What do you credit? 80. If the proprietor or partner withdraws resources what do you debit? 81. What do you credit? 82. If the firm assumes an obligation for one of the partners, what entry is made? 83. When a new partner is admitted to the firm, what entry is made? 84. When a partner retires from business, what entry is made?

# TO THE STUDENT.

IF you have perfectly mastered the rules and principles given in the preceding pages, and learned to write up your books with neatness and accuracy, you have laid the foundation for a successful knowledge of book-keeping, and will find much pleasure and but little difficulty in the subjects which follow. If you are in any way deficient, do not venture farther until you have reviewed and perfected yourself in these twenty-three fundamental rules of Book-keeping.

In the future portions of this work as in the past, you must study carefully each new feature and step as it is presented. Do not expect to learn by simply copying forms or repeating operations, without stopping to reason and digest them, thus making the ideas your own. Do not pass over a subject until you have thoroughly *mastered* it.

Cultivate self-reliance. Remember that your success will depend upon your own efforts. Ask aid from your teacher only when there is something which you do not, and cannot, understand after a vigorous effort. Learn to work and think independently. Apply the test of reason for yourself to every subject and statement.

You will henceforth be involved to some extent in mathematical computations. Be careful in every figure, thus avoiding vexatious delays in finding and correcting errors. Do not expect your teacher to find your errors for you. His business is to instruct you in the principles and methods of book-keeping, to criticise your work and suggest ways and means of improvement. but in exceptional cases only should you ask him to discover for you an error in your books.

Study thoroughly all definitions and explanations: be careful. thoughtful and persevering and you will find the following chapters very interesting and valuable to you.

# ACCOUNTS.

AN ACCOUNT is an item or group of items, under a proper heading or title, so arranged as to show a result of some department of the business.

The *Ledger* is the book in which accounts are kept. The items in the Ledger are transferred to it from some other book in which the transactions are entered in the order of their dates or occurrence. The process of making such transfer of items to the Ledger is called *posting*.

The *Ledger Heading* or *Title* is the name under which the account is kept. Thus "*Cash*" is a title under which we keep a record of all money received and paid out. "*Merchandise*" is a title under which is kept an account of goods bought and sold, etc. The title of the account given below is *William Wilson*. The titles or Ledger headings are always the same as the names of the items in the journal.

FORM OF LEDGER ACCOUNT.

Dr. William Wilson Cr.

| 190 Month | Day | Items | Page | Dollars | Cts. | 190 Month | Day | Items | Page | Dollars | Cts. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To Mdse | 1 | 148 | | Jan. | 10 | By Cash | 8 | 100 | |
| " | 3 | " Mdse | 4 | 57 | 30 | | | | | | |

*Debit and Credit.* Every account is divided into *two parts* or sides by a double vertical line in the center. The left side is called the *debit side*, and the right side is called the *credit*. The account is debited by placing an entry upon the left, or Dr. side, or is credited by placing an entry upon the right, or Cr. side.

The single horizontal line is called the *title line*. The first two columns on either side are the *date columns*, for year, month and day—the year being written above. The wide column next to the date line is for *items*, or an explanation of the entry. The column next to the right, is the *folio column*, in which is placed the page of the book from which the item is transferred. This is necessary for the sake of reference. The columns in which dollars and cents are written are called *money columns*.

The above explanations and illustrations of an account will enable us now to proceed to illustrate and explain the method of posting. This a mechanical operation, purely, being once learned is always precisely the same, and does not require the application of rules and principles as in journalizing. Nevertheless, posting is a process requiring constant care and perfect accuracy, to avoid errors or omissions.



Elgin Public Shools.

35

It will be necessary to first journalize the following transactions as shown on the opposite page:

## TRANSACTIONS.

19—

Jan. 1. Student (your name) has this day commenced business with a Cash capital of $2000.

" 2. Bought of Merriam, Collins & Co. for Cash, 200 lbs. Butter at 25¢, $50; 75 lbs. Maple Sugar at 15¢, $11.25; 25 lbs. Black Tea at 40¢, $10; 25 lbs. Java Coffee at 18¢, $4.50; 250 doz. Eggs at 15¢, $37.50. Total $113.25.

" 3. Bought of A. W. Dudley & Co. on my Note at 6% interest, 50 brls. Patent Flour at $5.50, $275; 75 brls. Apples at $1.75, $131.25; 150 bu. Peach Blow Potatoes at 80¢, $120. Total $526.25.

" 4. Sold to William D. Jackson for Cash, 50 lbs. Butter at 35¢, $17.50; 25 brls. Patent Flour at $5.75, $143.75; 20 brls. Apples at $2, $40. Total, $201.25.

" 6. Bought of Chas. H. Fox, Los Angeles, Cal., for Cash, 200 boxes California Grapes at 25¢, $50; 50 boxes Oranges at $1.60, $80. Total $130.

" 8. Sold to James Duncan, Baltimore, 100 lbs. Butter at 32¢, $32; 200 doz. Eggs at 16¢, $32; 100 bu. Peach Blow Potatoes at 75¢, $75; 25 brls. Apples at $2.10, $52.50. Total $191.50. Received in payment Cash $100; balance on account $91.50.

" 10. Bought of Jas. Gamage & Co., 100 boxes California Grapes at 40¢, $40; 50 boxes Oranges at $2, $100; 25 lbs. Maple Sugar at 20¢, $50; 25 lbs. Black Tea at 50¢, $12.50. Total $202.50. Gave in payment Cash $50; my Note at 30 days for balance $152.50.

" 13. Paid A. W. Dudley & Co., for my Note of the 3rd inst., and interest on same to date. Face of Note $526.25. Interest for 10 days at 6%, $.88. Total $527.13. Gave in payment 50 boxes Oranges at $2.25, $112.50; 100 boxes California Grapes at 50¢, $50. Total $162.50; Cash for balance $364.63.

" 15. Paid Cash for rent of store for current month $50.

" 16. Bought of Washburn & Co., Minneapolis, on account, 50 brls. Minnesota White Wheat Flour at $5.60, $280. Paid Cash for freight on same $11.40.

" 18. Bought of A. W. Hammond on account a burglar proof safe for my office $100.

" 20. Received of James Duncan Cash $25, and his Draft on A. S. Dow at 10 days' sight for $50. I have placed the same to said Duncan's credit, less 1% discount on Draft.

" 20. Sold to Thompson & Smith on account 25 brls. Minnesota White Wheat Flour at $6, $150; 50 doz. Eggs at 22¢ $11; 50 bu. Peach Blow Potatoes at $75¢, $37.50. Total $198.50.

## DIRECTIONS.

Having journalized the above transactions in a careful manner, and ruled up the entries as shown on the opposite page, next turn to page 42 and read carefully the explanations for Opening Accounts. The handsome appearance of your Ledger will depend largely upon the care and fidelity with which you follow those directions.

Having opened the Ledger headings, according to instructions, next take up Directions for Posting as given on pages 42 and 43 and carry each entry from the Journal to its proper place in the Ledger. By observing the script accounts and entries given on page 44, the proper style and size of writing, and the manner of making Ledger entries may be seen. The student should aim to bring his writing and figures as nearly as possible to conform to this style. Always remember that the neat, handsome appearance of all your books is a matter of the greatest importance.

# January 1, 190—



| | | | | | | |
|---|---|---|---|---|---|---|
| | | 1 | Cash | 2000 | | |
| | | 1 | To (Student) | | | 2000 |
| " | 2 | 1 | Mdse | 113 | 25 | |
| | | 1 | To Cash | | | 113 25 |
| " | 3 | 1 | Mdse | 526 | 25 | |
| | | 2 | To Bills Pay | | | 526 25 |
| " | 4 | 1 | Cash | 201 | 25 | |
| | | 1 | To Mdse | | | 201 25 |
| " | 6 | 1 | Mdse | 130 | | |
| | | 1 | To Cash | | | 130 |
| " | 8 | 1 | Cash | 100 | | |
| | | 2 | James Duncan, Balto. | 91 | 50 | |
| | | 1 | To Mdse | | | 191 50 |
| " | 10 | | Mdse | 202 | 50 | |
| | | | To Cash | | | 50 |
| | | | " Bills Pay | | | 152 50 |
| " | 13 | | Bills Pay | 526 | 25 | |
| | | | Interest | | 88 | |
| | | | To Mdse | | | 162 50 |
| | | | " Cash | | | 364 63 |

## OPENING ACCOUNTS.

The proprietor's or partners' accounts should, for convenience, always appear first in the Ledger, and are generally followed by Cash, Merchandise and other accounts in the order of their size and importance. As a matter of taste, accounts upon opposite pages should be placed exactly opposite each other, where it can be done conveniently. Ledger headings should be written in a plain, strong hand, slightly shaded. Never attempt any flourish or ornamentation in your Ledger. Never abbreviate Ledger headings unless a personal account, and then you should be governed by the manner in which the person signs his name. Be accurate in this. *P. Smith* is not *Peter Smith*, and *J. Brown* is very different from J. Brown & Co. An account with one may be *worthless* and with the other *A1*.

Open an account in the Ledger with the proprietor of the business (who is, in this case, yourself) by writing your name upon the title line, instead of *Student*, at the head of the first page of the Ledger. Some book-keepers use the term *Stock* instead of the proprietor's name.

Eight lines below the proprietor's account open a *Cash* account. Ten lines below Cash open a "*Merchandise*" account. At the top of page 2 of your Ledger open an account with *Bills Payable*. Eight lines below this, open an account with *James Duncan, Baltimore, Md.* Eight lines below this, *Bills Receivable*. Then continue, giving eight lines each to the remaining accounts as follows: *Interest, Expense, Washburn & Co., Minneapolis, Fixtures, A. W. Hammond, Discount, Thompson & Smith*. If necessary to increase or diminish this number slightly at the bottom of a page, to suit the length of the page, this should be done so that an account may stand at the head of the next page.

## DIRECTIONS FOR POSTING.

JANUARY 1. (SEE THIS ENTRY IN YOUR JOURNAL.)

The first item in your Journal is *Cash* and it is debited. Turn to the *Cash* account in your Ledger on the left hand, or debit side, and write the month and day (and the year if not written above) in the date columns. Then write in item column *To (Your Name)*, as it appears in the Journal. Place the page of your Journal in the folio column, and write the amount $2000 in the money column. (*See Form of Ledger on page* 44.)

We have now posted the debit item, but we wish to show in the Journal that it has been posted. This is done by placing the Ledger page opposite the word Cash in the Journal. This process is called *post-marking*.

The next item in your Journal is your name and is credited. Turn to your account (the first account), and since it is credited in the Journal we must make the entry upon the right-hand or credit side in the Ledger. Write first the month and day (with the year written above). Then in the item column with *By Cash*, to tell *why* you are credited, and place the amount $2000 in the money column. Now post-mark the entries by placing the page of your Journal in the Ledger in the folio column, and the page of your Ledger in the Journal opposite your name.

JANUARY 2. (SEE THIS ENTRY IN YOUR JOURNAL.)

"Mdse." is debited, and hence turn to the Merchandise account in your Ledger, and on the debit side write the year, month and day in the date columns, *To Cash* in the item column and place the amount $113.25 in the money columns. Next post-mark the entries by placing the page of the Journal from which the item is posted in the folio column in the Ledger, and the page of the Ledger in the folio column of your Journal, opposite "Mdse."

The credit item of this entry is Cash, and hence turn to the *Cash* account in your Ledger; on the credit side write date in month and day (using repeating marks for month). In the item column with *By Mdse.*, that being the name of the item debited, and place the amount in the money column. Now post-mark the entry by placing the page of the Journal in your Ledger and the page of your Ledger in the Journal.

JANUARY 3. (SEE THIS ENTRY IN YOUR JOURNAL.)

"Mdse." is debited and therefore must be carried to the debit side of that account in the Ledger. Write the date first, consisting of the month (") and day. Then in the item column write, *To Bills Payable*, and place the amount in the money columns. Post-mark the entry by placing the page of the Journal in the Ledger and the page of the Ledger in the Journal opposite the item posted.

Bills Payable is credited and must therefore be carried to the credit side of that account in the Ledger. (*See top of page 2 in your Ledger.*) Upon the right hand or credit side of the Bills Payable account write *By Mdse.* and place the amount $526.25 in the money column. Post-mark by placing the page of the Journal in the Ledger and the page of the Ledger in the Journal opposite the item posted.

JANUARY 4. (SEE THIS ENTRY IN YOUR JOURNAL.)

Cash is debited in your Journal and hence it must be debited in your Ledger. Turn to that account and on the left hand, or debit side write date, and *To Mdse.* placing the amount $201.25 in the money columns. Post-mark the entry by placing the page of the Journal in the Ledger and the page of the Ledger in the Journal opposite the item posted.

"Mdse." is credited in this entry and hence that account must be credited in the Ledger. Turn to the Merchandise account and upon the credit side enter the date and *By Cash*, placing the amount in the money column. Post-mark the entry by placing the page of your Journal in the Ledger and the page of your Ledger in the Journal.

JANUARY 6. (SEE THIS ENTRY IN YOUR JOURNAL.)

On debit side of Merchandise account write date, *To Cash* $130, and post-mark the entry by placing the Journal page in the folio column and the Ledger page in your Journal.

On the credit side of Cash account write date, *By Mdse.* $130 and post-mark the entry as heretofore.

JANUARY 8. (SEE THIS ENTRY IN YOUR JOURNAL.)

On debit side of Cash account write date, *To Mdse.* $100 and post-mark the entry. On the debit side of *James Duncan, Baltimore*, write date, *To Mdse.* $91.50 and post-mark the entry.

On the credit side of Merchandise account write date, *By Sunds.* $191.50 and post-mark the entry. "Sunds." is an abbreviation of the word Sundries, signifying several.

JANUARY 10. (SEE THIS ENTRY IN YOUR JOURNAL.)

On the debit side of Merchandise account write date and *To Sunds.* $202.50 and post-mark the entry. On the credit side of Cash account write date, *By Mdse* $50 and post-mark the entry, and on the credit side of Bills Payable account write date, *By Mdse.* $152.50 and post-mark the entry.

JANUARY 13. (SEE THIS ENTRY IN YOUR JOURNAL.)

On debit side of Bills Payable account write date, and *To Sunds.* $526.25, and post-mark the entry. On debit side of Interest account write date, *To Sunds.* $.88 and post-mark the entry. On credit side of Merchandise account write *By Sunds.* $162.50, and post-mark the entry. On credit side of Cash account write *By Sunds.* $364.63, and post-mark the entry.

JANUARY 15. (SEE THIS ENTRY IN YOUR JOURNAL.)

On debit side of Expense account, write date, *To Cash* $50, and post-mark. On credit side of Cash account write date, and *By Expense* $50, and post-mark.

JANUARY 16. (SEE THIS ENTRY IN YOUR JOURNAL.)

On debit side of Merchandise account write date, *To Sunds.* $291.40 and post-mark. On credit side of Washburn & Co., Minneapolis, write *By Mdse.* $280 and post-mark. On credit side of Cash account write date, and *By Mdse.* $11.40 and post-mark.

## Student



190–
Jan. 1 By Cash 1 2000

Open this account 8 lines below Student.

## Cash

| 190– | | | | | 190– | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To Student | 1 | 2000 | Jan. | 2 | By Mdse | | 113 25 |
| " | 4 | " Mdse | | 201 25 | " | 6 | " " | | 130 |
| " | 8 | " " | | 100 | | | | | |

Open this account 10 lines below Cash.

## Merchandise

| 190– | | | | | 190– | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Jan. | 2 | To Cash | | 113 25 | Jan. | 4 | By Cash | | 201 25 |
| " | 3 | " Bills Pay. | | 526 25 | " | 8 | " Sunds | | 191 50 |
| " | 6 | " Cash | | 130 | | | | | |

Open this account at top of page 2.

## Bills Payable

190–
Jan. 3 By Mdse 526 25

Open this account 8 lines below Bills Payable.

## James Duncan, Baltimore, Md.

190–
Jan. 8 To Mdse 91 50

## TRIAL BALANCE.

You have probably noticed that in posting, for every amount carried to the debit side of an account you carried an equal amount or amounts to the credit side of some other account. This is an illustration of the principle upon which Double Entry is founded, and from which it derives its name, viz.: *That every debit must have a corresponding credit.* If, therefore, you have made no error in posting, the debits and credits in your Ledger are equal, and the book is said to be in balance. To ascertain whether this is so, you will now proceed to take off a *Trial Balance.* The first step in this operation will be to *foot the accounts.* This consists in adding each side of every account in the Ledger, and placing the total directly beneath, in small but distinct pencil figures. A sharp, hard pencil should be used for this purpose.

For the Trial Balance use a sheet of paper ruled in Journal form. Write the name of each account as it appears in your Ledger in regular order and place the folio of the Ledger to the left in the folio column. In the money columns place the pencil footings of both sides of each account as previously obtained (unless it be an account which balances, in which case it may be left out entirely) opposite its name.

*Trial Balance, January 31, 19—*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | (Student) | | | | 2000 | | |
| 1 | Cash | 2326 | 25 | | 719 | 28 | |
| 1 | Merchandise | 1263 | 40 | | 753 | 75 | |
| 2 | Bills Payable | 526 | 25 | | 678 | 75 | |
| 2 | James Duncan, Baltimore | 91 | 50 | | 74 | 50 | |
| 2 | Bills Receivable | 50 | | | | | |
| 2 | Interest | | | 88 | | | |
| 3 | Expense | 50 | | | | | |
| 3 | Washburn & Co., Minneapolis | | | | 280 | | |
| 3 | Fixtures | 100 | | | | | |
| 3 | A. W. Hammond | | | | 100 | | |
| 4 | Discount | | | | | 50 | |
| 4 | Thompson & Smith | 198 | 50 | | | | |
| | | 4606 | 78 | | 4606 | 78 | |

When all of the accounts with the totals of each have thus been transferred upon this sheet, foot up the two columns, and if the totals agree, the Ledger is in balance and is probably correct. This is not a proof of the absolute correctness of the Ledger, however, as an entry may have been posted to a wrong account, or omitted entirely, without destroying the equilibrium of the Ledger.

If the Trial Balance shows the Ledger to be out of balance, the error must be discovered before proceeding. This is best done by "checking" the books, which consists in tracing each entry from the Journal to its account in the Ledger, and if found correct, making a small check-mark (√) opposite the amount. After completing this operation, if any item is found not checked, it is considered as superfluous or wrong, and if, after comparison with the Journal, it is found to be really so, it must be erased, or otherwise corrected.

Forcing a Trial Balance consists in entering a fictitious amount in Merchandise, Expense or some other account, sufficient to bring the Ledger into balance. This practice is dishonest, and is never resorted to by a good book-keeper.

The Trial Balance, it will be perceived, is a complete exhibit of the Ledger prior to closing, hence in business it should always be dated and carefully filed away, or kept in a book provided for that purpose, for future reference.

## FEBRUARY.

Journalize the following transactions according to preceding rules, after which see further instructions.

### TRANSACTIONS.

19—

Feb. 1. (Student) commenced business this day with a Cash Capital of $3500.

" 2. Bought of Marshall Field & Co., 50 doz. Men's Linen Shirts at $10, $500; 100 doz. Ladies' Linen Handkerchiefs at $2.50, $250; 2 cases Paper Cambric, 4000 yds., at 10¢, $400; 200 yds. Bleached Cotton at 10¢, $20. Total $1170. Gave in payment my Note at 6 days for $600; Cash for balance, $570.

" 3. Bought of J. V. Farwell & Co., on account, 50 yds. Irish Linen at 40¢, $20; 100 yds. Sheeting at 11¢, $11. Total $31.

" 4. Sold to W. O. Thomas, on account, 10 doz. Men's Linen Shirts at $12, $120; 5 yds. Irish Linen at 50¢, $2.50. Total $122.50.

" 5. Sold to Dodd & Brown, St. Louis, on their Note at 30 days, 1 case Paper Cambric, 2000 yds. at 11¢, $220; 10 doz. Ladies' Linen Handkerchiefs at $3, $30. Total $250.

" 7. Bought of H. B. Claflin & Co., on my Note at 30 days, 1000 yds. Ginghams at 10¢, $100; 55 yds. Black Silk at $2.75, $151.25; 100 yds. Broadcloth at $3.75, $375. Total $626.25.

" 9. Sold to G. B. Fairchild, Omaha, on account, 30 yds. Black Silk at $3, $90; 15 yds. Irish Linen at 55¢, $8.25. Total $98.25.

" 11. Paid Marshall Field & Co., Cash for my Note of the 2nd inst. $600, and interest on same at 8%, $1.20. Total $601.20.

" 12. Sold Henry Russell, Milwaukee, Wis., 50 yds. Sheeting at 12¢, $6; 200 yds. Gingham at 12¢, $24; 10 doz. Men's Linen Shirts at $12, $120. Total $150. Received in payment, Cash, $50; balance on account, $100.

" 15. Sold to C. A. Warren for Cash, 14 yds. Broadcloth at $4, $56; 1 case Paper Cambric, 2000 yds. at 12¢, $240. Total $296.

19—

Feb. 15. Bought of J. B. Clark, Store and Lot, No. 185 Lake Street, for $4000. Gave in payment, Cash, $2000; my Note at 60 days for $2000. Total $4000.

" 16. Received Cash of W. O. Thomas, on account, $75.

" 18. Sold G. B. Fairchild, Omaha, on account, 100 yds. Bleached Cotton at 12¢, $12; 20 doz. Men's Linen Shirts at $12.50, $250. Total $262.

" 19. Received of Henry Russell, Milwaukee, his Note at 30 days to apply on account, $100.

" 20. Sold to F. E. Arnold, 20 yds. Irish Linen at 50¢, $10; 800 yds. Gingham at 12¢, $96; 16 yds. Broadcloth at $4, $64. Total $170. Received in payment J. V. Farwell & Co.'s order on me for $25; balance due on account, $145.

" 22. Received of G. B. Fairchild, on account, Cash, $125; his Note at 30 days for $200. Total $325.

" 23. Paid taxes on Store and Lot, No. 185 Lake Street, for current year, in Cash, $18.30.

" 24. Received Cash of W. O. Thomas, on account, $50.

" 25. Sold to Henry Russell, Milwaukee, on account, 50 yds. Sheeting at 13¢, $6.50; 50 doz. Ladies' Linen Handkerchiefs at $3, $150. Total $156.50.

" 26. Received Cash of F. E. Arnold, on his account, $75.

" 26. Paid H. B. Claflin & Co., Cash, on my Note of the 7th inst., $450.

" 27. Sold to W. O. Thomas, 10 doz. Men's Linen Shirts at $12, $120. Received in payment his Note, $50; Cash, $50; balance on account, $20. Total $120.

" 28. Paid Cash to Robert Law for 2 tons coal for use of store, $13.

" 28. Received of Dodd & Brown, Cash on their Note of the 5th inst., $150.

" 28. Received Cash of the following persons on account: G. B. Fairchild, $20; F. E. Arnold, $40. Total $60.

" 28. Paid Cash for the following expenses: Clerk's wages to date, $60; Gas bill for the month, $10.80; Advertising in the *Times*, $12. Total $82.80.

### Inventory of Property Unsold, February 28, 19—

| | | | | |
|---|---|---|---|---|
| 40 doz. | Ladies' Linen Handkerchiefs, | @ 2.50 | $100.00 | |
| 10 yds. | Irish Linen, | @ 40¢ | 4.00 | |
| 25 " | Black Silk, | @ 2.75 | 68.75 | |
| 70 " | Broadcloth, | @ 3.80 | 266.00 | |
| 100 " | Bleached Cotton, | @ 10¢ | 10.00 | |
| | | | | $448.75 |
| House and Lot, 185 Lake St., valued at | | | | 4000.00 |
| | | | | $4448.75 |

Business Papers required for February—

Bill to Henry Russell, Milwaukee, Wis., Feb. 12.
J. V. Farwell & Co.'s order, Feb. 20.
Receipt to W. O. Thomas, Feb. 24.

Present your Journal together with the above papers to the teacher for inspection and approval.

## INSTRUCTIONS.

When your Journal has been approved you will proceed to open the Ledger accounts, giving each account the number of lines as stated below, and post this month according to previous instructions, similar to the month of January.

### LEDGER HEADINGS.

Always have a heading at the top of the page and give *not less* than the following number of lines to each account: (Student) 8; Cash, 15; Bills Receivable, 10; Merchandise, 15; Bills Payable, 10; J. V. Farwell & Co., 8; W. O. Thomas, 8; G. B. Fairchild, Omaha, 8; Henry Russell, Milwaukee, Wis., 8; F. E. Arnold, 8; Real Estate, 8 Interest, 8; Expense, 8. Loss and Gain, 8.

After posting the month of February, proceed to take off a Trial Balance, which must agree with the following:

TRIAL BALANCE, FEBRUARY 28, 19—

| L. F. | | DR. | | CR. | |
|---|---|---|---|---|---|
| 1 | (Student), | | | 3500 | |
| 1 | Cash, | 4431 | | 3735 | 30 |
| 1 | Bills Receivable, | 600 | | 150 | |
| 2 | Merchandise, | 1827 | 25 | 1625 | 25 |
| 2 | Bills Payable, | 1050 | | 3226 | 25 |
| 2 | J. V. Farwell & Co., | 25 | | 31 | |
| 3 | W. O. Thomas, | 142 | 50 | 125 | |
| 3 | G. B. Fairchild, Omaha, | 360 | 25 | 345 | |
| 3 | Henry Russell, Milwaukee, | 256 | 50 | 100 | |
| 3 | F. E. Arnold, | 145 | | 115 | |
| 4 | Real Estate, | 4018 | 30 | | |
| 4 | Interest, | 1 | 20 | | |
| 4 | Expense, | 95 | 80 | | |
| | | 12952 | 80 | 12952 | 80 |

## CLOSING THE LEDGER.

Having become familiar with the rules and principles of Journalizing, learned the process by which Journal entries are transferred to the Ledger, called posting, and the method of proving the correctness of the work by means of the Trial Balance, it now becomes necessary to take another step in advance, called *Closing the Ledger.*

The object of closing the Ledger is to place the accounts in the Ledger in such a condition as to show: 1st, the resources and liabilities of the business; 2nd, the gains and losses of the business, and 3rd, the net capital or net insolvency of the proprietor, or, if a partnership concern, the financial condition of each partner. It is customary in business to close books once a year, although many firms close their books semi-annually.

Before attempting the process of closing a set of books it will be necessary to understand the *classification* of *accounts.*

Accounts are divided, according to their nature, into two kinds: *Real* and *Representative.* A *Real Account* is one which shows a *resource* or *liability,* as *Cash,* which exhibits the amount of money on hand; *Personal Accounts,* showing what individuals owe the business and what the business owes to individuals, on open account; *Bills Receivable* and *Bills Payable,* showing what is owing to the business and what the business owes on written obligations, etc. Such accounts are called *Real,* because they represent a fixed and certain value, supposed to be unchangeable.

A *Representative Account* is one which shows the separate gains or losses of the business. This class of accounts represents the earning activities of the business, and under this head we place *Merchandise, Real Estate, Bank Stock, Shipments,* or *Consignments,* and all other property accounts, also *Expense, Interest, Discount, Commission,* etc. These accounts are called *Representative* because they possess a fluctuating or speculative character, and their values are changeable.

**The classification of accounts may be shown thus:**

| | | |
|---|---|---|
| Accounts. | Real. | Those which represent Resources or Liabilities as: Cash, Bills Rec., Bills Pay., Personal Accounts. |
| | Representative. | Those which represent Gains or Losses, as: Expense, Interest, Discount, Mdse., and other Property Accounts. |

I. *Real Accounts are closed To, or By Balance.*

II. *Representative Accounts are closed (after entering the Inventory, if any, By Balance) To, or By Loss and Gain.*

An entry in red ink on the Ledger indicates that the amount is to be transferred either to some other account, or to some other part of the same account. It also indicates that the entry is *first* made in the Ledger, and not transferred from the Journal or some other book. In transferring red ink entries they always change sides, and are entered on the *opposite* sides from where they first appear, in black ink. In being transferred, entries change sides in order to restore the amount to its original position as a debit or credit on the Ledger.

## CLOSING REAL ACCOUNTS.

Leaving the proprietor's account (which is always the last to be closed), begin with the next and close the Real accounts in the order in which they appear in the Ledger.

The first Real account to be closed is

### CASH.

The debit side represents our receipts and the credit side our payments. Subtracting the credit from the debit we find $695.70 as the amount of Cash on hand. Enter on the smaller side, which is the credit, this difference in red ink. *Feb. 28, By Balance $695.70.* Rule and foot the account as shown below.

Cash

| 190— | | | | | | 190— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Feb. | 1 | To Student | 1 | 3500 | | Feb. | 2 | By Mdse | 1 | 570 | |
| " | 12 | " Mdse | 1 | 50 | | " | 11 | " Sunds | 1 | 601 | 20 |
| " | 15 | " " | 1 | 296 | | " | 15 | " Real Est. | 1 | 2000 | |
| " | 16 | " W. O. Thomas | 2 | 75 | | " | 23 | " " " | 2 | 18 | 30 |
| " | 22 | " G. B. Fairchild | 2 | 125 | | " | 26 | " Bills Pay. | 2 | 450 | |
| " | 24 | " W. O. Thomas | 2 | 50 | | " | 28 | " Expense | 2 | 13 | |
| " | 26 | " F. E. Arnold | 2 | 75 | | " | 28 | " " | 2 | 82 | 80 |
| " | 27 | " Mdse | 2 | 50 | | | | | | 3735 | 30 |
| " | 28 | " Bills Rec. | 2 | 150 | | " | 28 | " Balan | | | |
| " | 28 | " Sunds | 2 | 60 | | | | | | | |
| | | | | 44431 | | | | | | 44431 | |
| Mar. | 1 | To Balance | 1 | 695 70 | | | | | | | |

In ruling, draw the red line *upon* the blue, and both sides of the account even, regardless of whether one side is longer than the other. The single red line under a column of figures shows that it is to be footed to that point. A double red line under the footings shows that it has been closed. A red diagonal line across the unwritten part of the page, indicates that the account is to receive no more entries.

This red ink entry upon the credit side of the Ledger has thrown it out of balance, and to restore it again to its proper condition we must enter the same amount upon the debit side. We therefore "bring the Balance down under the ruling" upon the debit side in *black* ink, and as this is the amount with which we begin the next month's business we date the entry March 1, thus: *Mar. 1 To Balance* $695.70. In the folio columns of both of these entries place the Ledger page.

The next account is

### Bills Receivable.

This is a *real* account, and hence will be closed precisely like *Cash*. The debit side shows the amount of other persons' notes and acceptances received by us, and the credit side shows the amount of such notes and acceptances disposed of. The difference must be the amount of Bills Receivable on hand.

Close on credit side in red ink *By Balance*. Rule up and foot. Bring balance down in black ink upon the debit side.

### Bills Payable.

This is a *real* account. It is credited with our notes and acceptances issued and debited as they are redeemed. It follows that the difference between the two sides must represent the amount of such obligations outstanding, and the difference, if any, must, in closing, be entered upon the debit side. Close *To Balance*. Rule up and foot. Bring balance down upon credit side in black ink.

### J. V. Farwell & Co.

The debit side of a Personal account shows what the individual owes the firm and the credit side shows what the firm owes him. The balance, then, is always a debt due the firm or a debt owing by the firm, viz.: a resource or liability. If the Dr. side exceeds the Cr., the difference shows a resource, and conversely, if the Cr. side exceeds the Dr., the difference shows a liability. Closed *To* or *By Balance*. (*Close all personal accounts in this manner.*)

## CLOSING REPRESENTATIVE ACCOUNTS.

Before the representative accounts can be closed an inventory must be made of all property on hand or unsold, belonging to the concern. This process is called in business "Taking an account of Stock," and consists in examining and enumerating the articles and affixing values thereto. The value should be governed by what it would cost to replace the articles in store at the time of taking the inventory. "Taking account of Stock" is estimating the value of perhaps the most important assets of the business, and hence is a matter of too great importance to be intrusted to inexperienced persons.

In the preceding set we have the following

Inventory of Property Unsold, February 28, 19—

| | | | | | | |
|---|---|---|---|---|---|---|
| 40 doz. | Ladies' Linen Handkerchiefs, | @ $2.50 | 100 | | | |
| 10 yds. | Irish Linen, | @ 40¢ | 4 | | | |
| 25 " | Black Silk, | @ 2.75 | 68 | 75 | | |
| 70 " | Broadcloth, | @ 3.80 | 266 | | | |
| 100 " | Bleached Cotton, | @ 10¢ | 10 | | | |
| | | | | | 448 | 75 |
| | House and Lot, 185 Lake St., valued at | | | | 4000 | |
| | | | | | 4448 | 75 |

Having secured an inventory of property on hand, proceed to close the Representative accounts as follows:

After the last account in your Ledger open an account with *Loss and Gain,* into which will be carried all the gains or losses of the business as they are ascertained from the Representative accounts.

The first representative account is

## MERCHANDISE.

This is a *representative* account having an *Inventory.* We enter the Inventory upon the credit side as if the goods were sold at the valuation given, making the entry in red ink, *Feb. 28, By Balance* $448.75. Adding this to our total sales and subtracting the purchases (debit side) we have a difference of $246.75, and since the credit side is the greater this difference represents a gain. We enter this gain upon the smaller side (debit) in red ink, *Feb. 28, To Loss and Gain, $246.75.*

Rule and foot the account as shown below.

Merchandise

| 190— | | | | | | 190— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Feb. | 2 | To Sunds | 1 | 1170 | | Feb. | 4 | By W. O. Thomas | 1 | 122 | 50 |
| " | 3 | " J. O. F. & Co. | 1 | 31 | | " | 5 | " Bills Rec. | 1 | 250 | |
| " | 1 | " Bills Pay. | 1 | 626 | 25 | " | 9 | " G. B. F. | 1 | 98 | 25 |
| | | | | 1827 | 25 | | | | | | |
| " | | [illegible] | | [illegible] | | " | 12 | " Sunds | 1 | 150 | |
| | | | | | | " | 15 | " Cash | 2 | 296 | |
| | | | | | | " | 18 | " G. B. F. | 2 | 262 | |
| | | | | | | " | 20 | " Sunds | 2 | 170 | |
| | | | | | | " | 23 | " A. Russell | 2 | 156 | 50 |
| | | | | | | " | 27 | " Sunds | 2 | 120 | |
| | | | | | | | | | | 1625 | 25 |
| | | [illegible] | | | | | | [illegible] | | | |
| | | | | 2074 | | | | | | 2074 | |
| Mar. | 1 | To Balance | 2 | 448 | 75 | | | | | | |

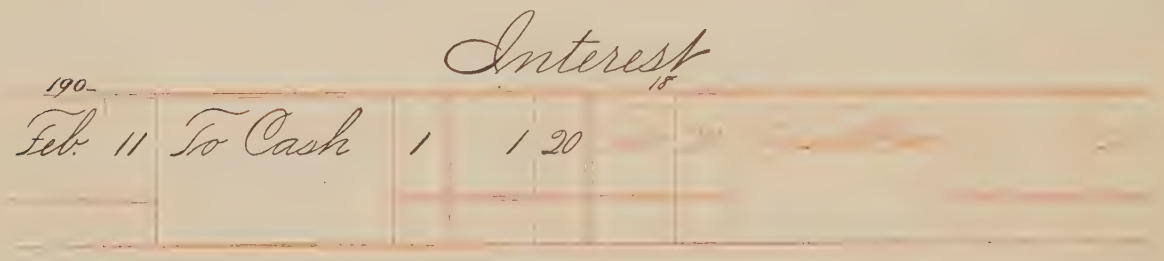
Since both of the red ink entries in the above account have thrown the Ledger out of balance, we must proceed to make the necessary entries to restore it to balance. Bring down the red ink balance entry upon the opposite side in black ink below the rulings, *Mar. 1, To Balance* $448.75. Carry the Loss and Gain entry to the credit side of the *Loss and Gain* account, making the entry in black ink *Feb. 28, By Mdse., $246.75.* Post-mark the entries by placing the page of the Loss andGain account in the Merchandise account, and the page of the Merchandise account in the folio column of the Loss and Gain account. Whenever a balance is brought down on the same page use the folio of that page in both places.

## Real Estate.

A *representative* account. It is debited for the cost of the property, and credited for the sales. Closed same as Merchandise account, viz.: credit the account for the value of the inventory, *By Balance*, after which close into *Loss and Gain* for the difference between the two sides. Rule and foot. Carry the *Balance* below the rulings. Carry the Loss and Gain entry to the opposite side of the Loss and Gain account *To Real Estate* in black ink, dating the entry the last day of the month.

## Interest.

The Dr. side of Interest, Discount, Premium, Commission, Exchange, etc., shows what such allowances have cost us, while the Cr. side shows what such allowances have produced us. The difference between the two sides of the account will show a gain or loss. Closed *To* or *By Loss and Gain.*




Where there is but one item on each side of an account, the single red lines may be omitted in ruling. No footing is necessary. The double red lines may be ruled on the blue line below the amounts, where it would be placed were the account ruled and footed in the usual manner.

## Expense.

Expense account is used to record the running expenses of the business. It is debited for all outlays for this purpose, and credited for any receipts or returns which may accrue to us from any item which has been previously charged to Expense account. Thus the entire rent of our store having been charged to Expense, if we sub-let a portion of the store-room, whereby an income is received, Expense account should be credited for this income. This account is credited *By Balance* for everything remaining on hand at the time of closing which has been previously entered in the Dr. of the Expense account. For example, a portion of our winter's fuel being on hand, is entered as an inventory on the credit side of Expense account. Likewise, rent or salaries past due and unpaid may be entered on the debit side of Expense account. *To Balance*, as a liability, after which the account is closed *To* or *By Loss and Gain.*

## Loss and Gain.*

This account is the receptacle of all our losses and gains. Into it have been closed all representative accounts, and it now stands debited for all losses of the business and credited for all gains. Hence the difference between the two sides must show either a net gain or a net loss. If the Cr. side be larger, the difference is a net gain; if the Dr. side be larger, the difference is a net loss. Since the proprietor of the business is the one who is to receive all gains or bear all losses, we enter the difference between the two sides in red ink, *Feb. 28, To (Student) $131.45* on the Dr. side. Rule and foot the account. Transfer the net gain or loss to the opposite side of the Proprietor's account in black ink, *Feb. 28, By Loss and Gain, $131.45.*

In case there are partners instead of a single proprietor, enter each partner's portion of the net gain separately in the Loss and Gain account and transfer same to each partner's account.

*The term *Loss and Gain* is the same as *Profit and Loss.* Some prefer the former expression to the latter, because *Loss* in the Ledger title stands upon the *left*, or debit side of the account, where the losses are entered, and *Gain* upon the *right* or credit side of the account, where gains are placed. To the accomplished book-keeper the wording of the title is of very little consequence.

Loss & Gain

| 190– | | | | | | 190– | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Feb. | 28 | To Real Est. | 4 | 18 | 30 | Feb. | 28 | By Mdse | 2 | 246 | 75 |
| " | 28 | " Interest | 4 | 1 | 20 | | | | | | |
| " | 28 | " Expense | 4 | 95 | 80 | | | | | | |
| | | | | 115 | 30 | | | | | | |
| | | | | 246 | 75 | | | | | 246 | 75 |

## PROPRIETOR'S ACCOUNT.

The first account upon the Ledger—the last to be closed. It is credited with the capital at commencing, and for any investments made during the progress of the business. It is debited for all amounts withdrawn from the business. At closing this account is debited for the net loss or credited for the net gain as brought over from the Loss and Gain account. The final closing entry in this account is *To Balance* or *By Balance*. If entered on the debit side it shows a net capital; if entered on the credit side a net insolvency at closing.

The proprietor's account in this set will stand as follows:

Student.

| 190– | | | | | | 190– | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Feb. | 28 | To Balance | 1 | 3631 | 45 | Feb. | 1 | By Cash | 1 | 3500 | |
| | | | | | | " | 28 | " Loss & Gain | 4 | 131 | 45 |
| | | | | 3631 | 45 | | | | | 3631 | 45 |
| | | | | | | Mar. | 1 | By Balance | 1 | 3631 | 45 |

Total investment, $3500. Gain added, $131.45. Close *Feb. 28, To Balance,* $3631.25, which is his net capital. Rule and foot. Bring down the Balance beneath the rulings.

## STATEMENT.

Having closed the books, it now becomes necessary to make an exhibit of the condition of the business. This is called a *Statement* and should show in a compact form the resources and liabilities of the business; the gains and losses with the sources from which they are derived, and the net capital or net insolvency of the proprietor or partners of the business. The facts from which this Statement is made are gathered from the Ledger, and consist of: 1. All balances brought down. 2. The Loss and Gain account. 3. The proprietor's account. Debit balances are resources, and credit balances are liabilities. The difference between the resources and liabilities shows the net capital or net insolvency of the proprietor or firm, which must agree with the proprietor's account, in the Ledger, and also with the last result in the statement.

After completing your Statement, present all of your books and papers to the teacher for approval.

# Statement, Feb. 28, 19__

## Resources

| | | | | | |
|---|---|---|---|---|---|
| 1 | Cash | 695 | 70 | | |
| 2 | Merchandise, per inventory | 448 | 75 | | |
| 1 | Bills Receivable | 450 | | | |
| 3 | W. O. Thomas | 17 | 50 | | |
| 3 | G. B. Fairchild, Omaha | 15 | 25 | | |
| 3 | Henry Russell, Milwaukee | 156 | 50 | | |
| 3 | F. E. Arnold | 30 | | | |
| 4 | Real Estate, per inventory | 4000 | | 5813 | 70 |

## Liabilities

| | | | | | |
|---|---|---|---|---|---|
| 2 | Bills Payable | 2176 | 25 | | |
| 2 | J. V. Farwell & Co. | 6 | | 2182 | 25 |
| | Net Capital | | | 3631 | 45 |

## Gains

| | | | | | |
|---|---|---|---|---|---|
| 2 | Merchandise | | | 246 | 75 |

## Losses

| | | | | | |
|---|---|---|---|---|---|
| 4 | Real Estate | 18 | 30 | | |
| 4 | Interest | 1 | 20 | | |
| 4 | Expense | 95 | 80 | 115 | 30 |
| | Net Gain | | | 131 | 45 |
| 1 | (Student) Net Investment | 3500 | | | |
| | Net Gain | 131 | 45 | | |
| | Net Capital | | | 3631 | 45 |

# PRACTICE IN RULING.

NEAT and accurate ruling is essential to a well kept set of books, and especially is this important in the Ledger. To be able to draw light, uniform lines, beginning and ending at precisely the proper points, requires much practice. Place the ruler as shown in the drawing with the bevel side down, hold the pen at right angles with the ruler, and draw a steady line with very slight shading.

The student should rule one or more sheets similar to the following and present them to the teacher for inspection and approval.

## MARCH.

The student should journalize, post and close the transactions for the month of March according to previous instructions and similar to the month of February. After closing the Ledger, make out a Statement, which must exhibit the same facts as set forth under the head of *Results* at the end of the month's transactions.

### LEDGER HEADINGS.

Always have a heading at the top of the page, and give *not less* than the following number of lines to each account: Robert Clark, 8; Cash, 14; Merchandise, 14; Bills Receivable, 8; Bills Payable, 8; J. C. Warren, Burlington, Ia., 8; C. E. Rogers, Cincinnati, O., 8; J. G. Cross, Aurora, Ill., 8; G. W. Hamilton, Detroit, Mich., 8; E. D. Graham, Baltimore, 8; Discount, 8; Interest, 8; Shipment, A. D. Bower, Milwaukee, 8; A. D. Bower, Milwaukee, 8; George M. Reynolds, St. Louis, 8; Expense, 8; Loss and Gain, 8.

### TRANSACTIONS.

19—

March 1. Robert Clark commenced business this day with a Cash capital of $4500.

" 1. Bought of Sprague, Warner & Co., for Cash, 500 lbs. Butter at 27¢, $135; 150 lbs. Maple Sugar at 15¢, $22.50; 75 lbs. Black Tea at 40¢, $30; 50 lbs. Java Coffee at 18¢, $9; 800 doz. Eggs at 15¢, $120. Total $316.50.

" 2. Bought of A. M. Trimmer, on my Note at 20 days, 100 brls. Winter Wheat Flour at $5.50, $550; 140 brls. Apples at $1.75, $245; 300 bu. Peach Blow Potatoes at 60¢, $180. Total $975.

" 4. Sold C. E. Rogers, Cincinnati, Ohio, 100 lbs. Butter at 30¢, $30; 25 brls. Winter Wheat Flour at $6, $150; 40 brls. Apples at $2, $80. Total $260. Received in payment his Note at 30 days for $160; balance on account, $100.

" 6. Bought of J. G. Cross, Aurora, 100 boxes California Grapes at $3.75, $375; 20 boxes Lemons at $9, $180; 8 bu. Cranberries at $3.25, $26. Total $581. Gave in payment, Cash, $200; balance on account, $381.

" 8. Sold to E. D. Graham, Baltimore, 40 lbs. Maple Sugar at 20¢, $8; 30 lbs. Black Tea at 50¢, $15; 200 doz. Eggs at 18¢, $36; 50 brls. Winter Wheat Flour at $6, $300. Total $359. Received in payment, Cash, $100; balance on account, $259.

" 9. Accepted J. G. Cross' Draft on me at 30 days for $200.

" 10. Sold to Geo. W. Hamilton, Detroit, Mich., 300 lbs. Butter at 30¢, $90; 50 lbs. Java Coffee at 22¢, $11; 100 bu. Peach Blow Potatoes at 75¢, $75. Total $176. Received in payment, Cash, $76; balance on account, $100.

" 13. Paid A. M. Trimmer, Cash, on my Note of the 2nd inst., $600.

" 16. Bought of J. C. Warren, Burlington, Ia., on account, 10 bags Wilmington Peanuts, 1500 lbs., at 5¢, $75; 5 brls. White Fish at $8, $40; 50 boxes Herring at 25¢, $12.50; 20 lbs. Cloves at 40¢, $8; 40 lbs. Pepper at 20¢, $8. Total $143.50. Paid Cash for freight on same, $9.75.

" 18. Received of C. E. Rogers, on account, his Draft on J. G. Cross at 1% discount, which I have remitted to said Cross to apply on my account. Face of Draft, $75. Discount off at 1%, 75¢. Net proceeds, $74.25.

" 19. Sold to E. D. Graham, Baltimore, 100 lbs. Butter at 30¢, $30; 45 lbs. Black Tea at 50¢, $22.50; 400 doz. Eggs at 17¢, $68; 25 brls. Winter Wheat Flour at $6.25, $156.25. Total $276.75. Received in payment his Note for $150; balance on account, $126.75.

" 19. Shipped to A. D. Bower, Milwaukee, for sale on my account and risk, 25 boxes California Grapes at $3.75, $93.75; 20 boxes Lemons at $9, $180. Total $273.75. Paid freight and drayage on same, $7.25.

19—

March 21. Sold to C. E. Rogers, Cincinnati, Ohio, on account, 100 bu. Peach Blow Potatoes, at 75¢, $75; 5 bu. Cranberries at $3.50, $17.50; 10 bags Wilmington Peanuts, 1500 lbs., at 6¢, $90. Total $182.50.

" 22. Discounted C. E. Rogers' Note of the 4th inst. Face of Note, $160. Discount off 15 days at 8%, 53¢. Net proceeds received in Cash, $159.47.

" 23. Paid Cash on my Acceptance of the 9th inst., favor J. G. Cross, $100.

" 25. Paid Cash in full for my Note of the 2nd inst., favor of A. M. Trimmer, with interest at 8%. Balance due on Note, $375. Interest due at 8%, $3.38. Total $378.38.

" 26. Sold to Geo. M. Reynolds, St. Louis, Mo., 100 bu. Peach Blow Potatoes at 80¢, $80; 100 brls. Apples at $2, $200. Total $280. Received in payment his Note at 30 days with 6% interest, payable at Union National Bank, for $100; Cash $100; balance on account, $80.

" 26. Received Cash of E. D. Graham, Baltimore, on account, $100.

" 27. Paid Cash for clerk hire to date, $75.

" 28. Bought of Robert Law, for Cash, 5 tons of Coal at $6.25, $31.25, for use in store.

" 30. Received of A. D. Bower, Milwaukee, advice of the sale of 20 boxes of Lemons at $10, $200, being part of the shipment of the 19th inst.

" 31. Sold to C. E. Rogers, Cincinnati, Ohio, on account, 200 doz. Eggs at 16¢, $32; 75 boxes California Grapes at $4, $300. Total $332.

INVENTORY OF PROPERTY UNSOLD, MARCH 31, 19—

| | | | |
|---|---|---|---|
| 110 lbs. Maple Sugar, | @$0.15 | $16.50 | |
| 3 bu. Cranberrries, | @ 3.25 | 9.75 | |
| 5 brls. White Fish, | @ 8.00 | 40.00 | |
| 50 boxes Herring, | @ .25 | 12.50 | |
| 20 lbs. Cloves, | @ .40 | 8.00 | |
| 40 lbs. Pepper, | @ .20 | 8.00 | |
| | | | $94.75 |
| 4 tons Coal, | @ 6.25 | | 25.00 |
| Shipment to A. D. Bower, Milwaukee, | | | 93.75 |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $3317.34 |
| Bills Receivable on hand, | 250.00 |
| Bills Payable unpaid, | 100.00 |
| Robert Clark's Net Capital at closing, | 4637.34 |

Business Papers required for March:

Invoice of Sprague, Warner & Co., March 1, properly receipted.

Draft on J. G. Cross March 18.

Geo. M. Reynold's Note of March 26th.

## APRIL.

Journalize, post and close this month's transactions according to previous instructions. After closing the Ledger, make out a Statement, which must agree with the *Results* given at the close of the transactions.

### LEDGER HEADINGS.

C. E. Kelly, 10 lines; W. L. Parsons, 10; Cash, 26; Merchandise, 26; Bills Payable, 15; Bills Receivable, 15; W. Hunter, 8; W. H. Southard, 8; J. I. Holister, Moline, Ill., 8; Illinois Central R. R. Stock, 8; W. D. Waller, 10; James Berry, 10; Real Estate, 8; W. M. Hoyt & Co., 8; Shipment, G. S. Hubbard & Co., Baltimore, 8; Fixtures, 8; J. H. Moore & Co., 8; Hartford Insurance Co., 8; James M. Graham, Galesburg, Ill., 8; C. C. Thompson, 8; A. J. Baily, 8; Discount, 8; Interest, 12; Expense, 10; Loss and Gain, 20.

### TRANSACTIONS.

19—

April 1. C. E. Kelly commenced business this day with a cash capital of $2000.

" 2. Paid cash for rent of store in advance, 6 months, at $75, $450.

" 3. Bought of J. D. Field & Co., on my Note at 30 days, payable at my office, 8% interest, 50 brls. Minnesota Flour at $6, $300.

" 5. Bought of Wheeler & Andrews, for Cash, 5 sacks Rio Coffee at $12.50, $62.50, 10 boxes Boston Crackers at $1.60, $16; 5 brls. N. O. Sugar at $22.50, $112.50; 8 brls. N. Y. Salt at $2.50, $20. Total, $211.

" 7. Sold to W. Hunter on account, 20 brls. Minnesota Flour at $6.75, $135.

" 8. Sold Stephen Whitney, 3 brls. N. O. Sugar at $26.25, $78.75. Received in payment, his Draft on H. Williams at 10 days' sight.

" 9. Bought of S. A. Maxwell & Co., for Cash, set of blank books for store, $18.50.

" 11. Bought of W. H. Southard, 200 brls. Winter Apples at $2.50, $500. Gave in payment my Note at 30 days for $200; Cash, $200; balance on account, $100.

" 12. Sold Louis Stinson, 100 brls. Winter Apples at $2.75, $275. Received in payment 200 bu. Potatoes at 75¢, $150; his Note at 15 days for balance, $125.

" 14. C. E. Kelly has received a legacy from a deceased relative, consisting of 10 shares Illinois Central Railroad Stock at $108, $1080; Cash, $1000. Total $2080, which he has invested in the business.

" 16. Sold J. I. Holister, Moline, Ill., on account, 3 sacks Rio Coffee at $14, $42; 5 boxes Boston Crackers at $1.80, $9.00. Total $51.

" 17. Paid Cash for Postage Stamps, $5.

" 19. Sold Geo. Keller, on his Note at 60 days, 50 brls. Winter Apples at $2.80, $140.

" 21. Received Cash of W. Hunter, on account, $75.

" 22. Paid W. H. Southard, on account, Cash, $60.

" 22. Received Cash of H. Williams for Stephen Whitney's Draft on him at 10 days' sight, $78.75, received on the 8th inst.

" 24. Bought of James Berry, 15 boxes German Soap, 600 lbs., at 7¢, $42; 10 coils Inch Rope, 800 lbs., at 4¢, $32; 5 brls. Cider Vinegar, 150 gals., at 25¢, $37.50; 15 chests Y. H. Tea, 675 lbs., at 45¢, $303.75. Total, $415.25. Gave in payment Geo. Keller's Note of the 19th inst. at 6% discount. Face of Note, $140; discount off, 58 days, $1.35; my Note at 30 days for $150; Cash, $100; balance on account, $23.90.

" 25. Sold to W. D. Waller, on account, 10 brls. Minnesota Flour at $6.75, $67.50; 50 brls. Winter Apples at $2.80, $140; 3 brls. Cider Vinegar, 90 gal., at 30¢, $27; 5 coils Inch Rope, 400 lbs., at 5¢., $20; 100 bu. Potatoes at $1.00, $100. Total $354.50.

19—

April 26. Drew at 10 days' sight on J. I. Holister, Moline, Ill., and discounted Draft at First National Bank. Face of Draft, $51. Discount off, 25¢. Net proceeds received in Cash, $50.75.

" 26. Sold for Cash, Postage Stamps, $1.80.

" 27. Sold J. R. Wheeler, 50 bu. Potatoes at 85¢, $42.50; 3 brls. N. Y. Salt at $2.80, $8.40; 5 coils Inch Rope, 400 lbs., at 5¢, $20. Total, $70.90. Received in payment his Note at 30 days for $50; Cash for balance, $***.**.

" 28. Received Cash of W. Hunter, to apply on his account, $25.

" 28. Received Cash for 6 per cent. dividend on 10 shares Illinois Central Railroad Stock, $60.

" 29. Paid my note, favor of J. D. Field & Co., before due; also, interest on same to date. Face of Note, $300; interest on same, 26 days, at 8%, $1.73. Total, $301.73. Gave in payment Sight Draft on W. D. Waller for $200. Cash for balance, $***.**.

" 29. Sold A. J. Bailey, 2 brls. Cider Vinegar, 60 gals., at 30¢, $18; 5 brls. N. Y. Salt, at $2.75, $13.75; 10 brls. Minnesota Flour at $7, $70; 5 chests Y. H. Tea, 225 lbs., at 60¢, $135. Total, $236.75. Received in payment, Cash, $100; his Note at 30 days for balance, with 6% interest added. Balance of bill, $136.75; interest added, 75¢. Face of Note, $137.50.

" 30. Received of W. D. Waller, on account, his Note at 30 days for $75; Cash, $60. Total, $135.

" 30. Louis Stinson has paid his note of the 12th inst. and interest thereon per check on Third National Bank. Face of Note, $125; interest, 18 days, at 8%, 50¢. Total, $125.50.

INVENTORY of PROPERTY UNSOLD, APRIL 30, 19—

| | | | |
|---|---|---|---|
| 10 brls. Minnesota Flour, | @ $6.00 | $60.00 | |
| 2 brls. N. O. Sugar, | @ 22.50 | 45.00 | |
| 50 bu. Potatoes, | @ .75 | 37.50 | |
| 15 boxes German Soap, 600 lbs., | @ .07 | 42.00 | |
| 5 boxes Boston Crackers, | @ 1.60 | 8.00 | |
| 10 chests Young Hyson Tea, 450 lbs., | @ .45 | 202.50 | |
| 2 sacks Rio Coffee, | @ 12.50 | 25.00 | |
| | | | $420.00 |
| 10 shares Illinois Central Railroad Stock, | @106.00 | | 1060.00 |
| 5 months' rent of store, paid in advance, | @ 75.00 | | 375.00 |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $2451.47 |
| Bills Receivable on hand, | 262.50 |
| Bills Payable unpaid, | 350.00 |
| Personal Accounts owing me, | 54.50 |
| Personal Accounts I owe, | 66.60 |
| C. E. Kelly's-Net Capital at closing, | 4206.87 |

Business Papers required for April:

Note favor J. D. Field & Co., April 3.
Receipt to W. H. Southard, April 22.
Check of Louis Stinson, April 30.

## MAY.

After journalizing the transactions in this month, post them under the accounts for April. In closing the Profit and Loss account, each partner's share of the net gain or loss must appear *separately*. Also, in making out the Statement, show each partner's net gain or net loss, and capital at closing, *separately*. Group personal accounts in your Statement under "*Personal Accounts owing us*" and "*Personal Accounts we owe.*"

### TRANSACTIONS.

19—

May 1. C. E. Kelly has this day admitted W. L. Parsons as a partner, who is to share equally in the gains and losses.

W. L. Parsons invests store building and lot, No. 264 River Street valued at $5000, on which there is a mortgage of $1000, due in one year, bearing 7% interest, which the firm assumes

" 3. Bought of W. H. Southard, 300 brls Winter Apples at $2.50, $750; 25 sacks Rio Coffee, 3500 lbs. at 10¢, $350; 10 brls. Cider Vinegar, 300 gals., at 20¢, $60. Total, $1160. Gave in payment, Cash, $500; our Note at 30 days for $500; balance on account, $***.

" 4. Bought of W. M. Hoyt & Co. 20 brls. N. O. Sugar at $25, $500; 100 boxes Boston Crackers at $1.80, $180; 100 boxes Sperm Candles, 1986 lbs., at 25¢, $496.50. Total $1176.50. Paid freight on same in Cash, $9.80. Gave in payment for goods, our Note at 60 days for $500, with interest added at 8%, $7. Face of Note, $507; balance on account, $***.**.

" 6. Sold to W. D. Waller, on account, 10 brls. Minnesota Flour at $7, $70; 2 brls. N. O. Sugar at $26, $52; 25 boxes Boston Crackers at $1.95, $48.75; 10 boxes Sperm Candles, 198 lbs., at 35¢, $69.30. Total $240.05.

" 7. Shipped via B. & O. R. R. to G. S. Hubbard & Co., Baltimore, Md., for sale on our account and risk, $10 brls. N. O. Sugar at $25, $250; 200 brls. Winter Apples at $2.50, $500. Total $750. Insured same in Hartford Insurance Co. for $600, paying premium in Cash at 2%, $12.

Shipments are invoiced at the buying price.

" 10. Received Cash of J. R. Wheeler in payment for his Note and interest to date. Face of Note, $50; interest at 8%, 16¢. Total $50.16.

" 12. Paid Cash for our Note and interest, favor W. H. Southard, of the 11th ult. Face of Note, $200; interest on same at 8%, $1.47. Total $201.47.

" 15. Have this day moved into our new store, No. 264 River Street. Paid Cash for expenses of moving $265.30; also for Counters, Shelving and Furniture, $785.25. Total $1050.55.

Open an account with Fixtures.

" 16. Sold J. I. Holister, Moline, Ill., on account, 10 sacks Rio Coffee, 1400 lbs., at 13¢, $182; 5 brls. Cider Vinegar, 150 gals., at 25¢, $37.50; 1 chest Y. H. Tea, 45 lbs., at 50¢, $22.50. Total $242.

" 18. Sold J. T. Armour, Springfield, Ill., 20 boxes Sperm Candles, 397 lbs., at 30¢, $119.10; 10 brls. N. O. Sugar at $30, $300; 25 bu. Potatoes at 90¢, $22.50; 5 sacks Rio Coffee, 700 lbs., at 15¢, $105. Total $546.60. Discount off at 5% for Cash, $**.**. Received Cash, $***.**.

" 18. Bought of Safety Lock Co., for Cash, 1 Office Safe, $250.

" 20. Bought of James Berry, on account, 150 brls. Minnesota Flour at $5.75, $862.50; 200 bu. Potatoes at 80¢, $160; 150 boxes German Soap, 6000 lbs., at 6¢, $360. Total $1382.50.

19—

May 20. Bought of J. H. Moore & Co., on account, 1 set of Furniture for W. L. Parsons, $175.

" 21. Paid W. H. Southard, on account, our Note at 30 days for $75; Cash, $85. Total $160.

" 21. Sold to Preston, Kean & Co., for Cash, 5 shares Illinois Central R. R. Stock at $109. $***.

" 23. Sold to J. R. Rumsey, Indianapolis, on his Note at 30 days, with interest at 8% added, 100 boxes German Soap, 4000 lbs., at 7½¢, $300; 25 boxes Boston Crackers at $2, $50; 50 bu. Potatoes at $1.15, $57.50; 5 brls. Cider Vinegar, 150 gals., at 25¢, $37.50. Total $445. Interest at 8%, $3.26. Face of Note, $448.26.

" 25. Drew on W. D. Waller at 20 days, and discounted Draft at First National Bank. Face of Draft, $200. Discount off, $1.02. Net proceeds received in Cash, $198.98.

" 25. Received advice of the total destruction by fire of the warehouse of G. S. Hubbard & Co., Baltimore, including our shipment of the 7th inst. Hartford Insurance Co. held for face of policy.

" 26. Sold to James M. Graham, Galesburg, Ill., on account, 50 brls. Minnesota Flour at $7, $350; 50 brls. Winter Apples at $2.60, $130. Total $480.

" 27. Accepted James Berry's Draft on us at 30 days' sight, favor Union Trust Co., for $1000.

" 28. Sold C. C. Thompson, Minneapolis, Minn., 50 boxes Sperm Candles, 993 lbs., at 25¢, $248.25; 25 boxes German Soap, 1000 lbs., at 8¢, $80; 55 boxes Boston Crackers at $1.75, $96.25. Total $424.50. Received in payment his Note at 30 days for $150; James Berry's order on us for $150; Cash, $100; balance on account, $**.**.

" 30. Accepted J. C. Brown's Draft at 30 days' sight on C. E. Kelly for $500, favor A. S. Davenport.

" 30. Received of W. D. Waller, Cash for his Note of the 30th ult. and interest. Face of Note, $75; interest at 8%, 55¢. Total $75.55.

" 30. Sold to A. J. Baily, 4 chests Y. H. Tea, 180 lbs., at 50¢, $90; 150 bu. Potatoes at $1.10, $165; 10 brls. Minnesota Flour at $7.25, $72.50. Total $327.50. Received in payment, Cash, $163.75; balance on account, $***.**.

" 30. Discounted at Union National Bank, J. R. Rumsey's Note of the 23d inst. Face of Note, $448.26; discount off at 6%, $1.98. Net proceeds received in Cash, $***.**.

" 30. Paid Cash for our Note, favor W. H. Southard, of the 3rd inst., and interest to date. Face of Note, $500; interest at 8%, $3. Total $503.

INVENTORY OF PROPERTY UNSOLD, MAY 31, 19—

| | | | |
|---|---|---|---|
| 90 brls. Minnesota Flour, | @$6.00 | $540.00 | |
| 25 bu. Potatoes, | @ .75 | 18.75 | |
| 40 boxes German Soap, 1600 lbs., | @ .07 | 112.00 | |
| 5 chests Young Hyson Tea, 225 lbs., | @ .40 | 90.00 | |
| 12 sacks Rio Coffee, 1680 lbs., | @ .10 | 168.00 | |
| 20 boxes Sperm Candles, 993 lbs., | @ .25 | 248.25 | |
| 50 brls. Winter Apples, | @ 2.50 | 125.00 | |
| | | | $1302.00 |
| 5 shares Illinois Central R. R. Stock, valued at $110, | | | 550 |
| Store and Lot, No. 264 River Street, | | | 5000 |
| Fixtures, worth | | | 1025 |
| 4 months' rent, paid in advance, at $75, | | | 300 |

Business Papers required for May:

Bill to J. T. Armour, Springfield, Ill., May 18.

Note of J. R. Rumsey, Indianapolis, May 23, payable at his office.

Acceptance favor A. S. Davenport of May 30.

## RESULTS.

| | |
|---|---|
| Cash on hand, | $1938.64 |
| Bills Receivable on hand, | 287.50 |
| Bills Payable unpaid, | 3232.00 |
| Personal Accounts owing us, | 1604.80 |
| Personal Accounts we owe, | 1150.60 |
| C. E. Kelly's Net Capital at closing, | 3753.61 |
| W. L. Parsons' " " " " | 3871.73 |

## PRICE LISTS FOR APRIL AND MAY.

If for the sake of drills in accuracy, or other reason, it should be desired that the student perform the calculations in each transaction, in the two previous months, the following price lists are given for the purpose, together with the results under each price list:

| ARTICLES. | BUYING PRICES FOR APRIL AND MAY. | | | | | SELLING PRICES FOR APRIL AND MAY. | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | LIST 1. | 2 | 3 | 4 | 5 | LIST 1. | 2 | 3 | 4 | 5 |
| Boston Crackers | $1.80 bx. | $1.90 | $1.75 | $1.60 | $1.70 | $1.85 bx. | $2.00 | $1.85 | $1.80 | $1.90 |
| Cider Vinegar | .25 gal. | .28 | .24 | .23 | .20 | .30 gal. | .30 | .30 | .25 | .24 |
| German Soap | .08 lb. | .09 | .10 | .09 | .08 | .08½ lb. | .09½ | .10 | .09½ | .09 |
| Inch Rope | .04 lb. | .05 | .04 | .04½ | .05 | .04¼ lb. | .06 | .06 | .05 | .05¼ |
| Minn. Flour | 6.00 brl. | 6.25 | 6.40 | 6.10 | 6.15 | 6.50 brl. | 6.40 | 6.75 | 6.50 | 6.60 |
| N. O. Sugar | 22.00 brl. | 24.00 | 28.00 | 25.00 | 26.00 | 24.00 brl. | 25.00 | 30.00 | 28.00 | 30.00 |
| N. Y. Salt | 2.75 brl. | 2.40 | 2.50 | 2.60 | 2.75 | 3.00 brl. | 2.60 | 3.00 | 3.10 | 3.25 |
| Potatoes | .90 bu. | .80 | .70 | .75 | .85 | 1.10 bu. | .95 | 1.00 | 1.10 | 1.15 |
| Rio Coffee | 13.00 sk. | 14.00 | 15.00 | 14.50 | 14.25 | 15.00 sk. | 15.00 | 16.00 | 16.00 | 16.00 |
| Sperm Candles | .25 lb. | .27 | .28 | .30 | .29 | .30 lb. | .32 | .34 | .35 | .35 |
| Winter Apples | 2.35 brl. | 2.40 | 2.50 | 2.35 | 2.40 | 2.75 brl. | 2.75 | 2.80 | 3.00 | 3.00 |
| Y. H. Tea | .40 lb. | .42 | .45 | .42 | .50 | .50 lb. | .45 | .50 | .45 | .60 |

Before beginning the work of this set, the student should copy off upon a small sheet of paper the names of the articles in the above Price List, together with the buying and selling price of same, and use that sheet as his price list. This will avoid confusion, and perhaps error in selecting the price from the above list each time.

Compute the value of the inventories of merchandise at the buying price under each list, using the quantities as given at the close of the month's transactions. Property other than merchandise will remain of same value as given under first inventory at close of transactions.

### RESULTS FOR APRIL.

| | LIST 1. | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $2421.70 | $2416.30 | $2428.26 | $2466.89 | $2449.29 |
| Bills Receivable | 236.11 | 221.78 | 238.62 | 222.28 | 257.37 |
| Bills Payable | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 |
| Accounts Receivable | 55.75 | 44.50 | 64.75 | 68.50 | 78.10 |
| Accounts Payable | 11.33 | 53.33 | 83.10 | 19.45 | 79.90 |
| C. E. Kelly's net capital | 4199.23 | 4145.25 | 4189.78 | 4251.72 | 4258.81 |

### RESULTS FOR MAY.

| | LIST 1. | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $1869.54 | $1913.97 | $2005.72 | $2007.68 | $1993.71 |
| Bills Receivable | 261.11 | 246.78 | 263.62 | 247.28 | 282.37 |
| Bills Payable | 3232.00 | 3232.00 | 3232.00 | 3232.00 | 3232.00 |
| Accounts Receivable | 1640.30 | 1591.12 | 1693.94 | 1698.85 | 1752.45 |
| Accounts Payable | 1202.83 | 1416.05 | 1636.18 | 1395.25 | 1420.39 |
| C. E. Kelly's net capital | 3693.80 | 3588.09 | 3636.34 | 3761.97 | 3789.59 |
| W. L. Parsons' net capital | 3819.57 | 3767.84 | 3771.55 | 3835.24 | 3855.77 |

## JUNE AND JULY.

Journalize, post and close the month of June. Instead of making out a Statement as heretofore, you will make out a *Balance Sheet*, as per form and explanations given, which must show the same results as those given at the end of the transactions.

Since real accounts do not affect the gains or losses of the business (unless such accounts should prove worthless, in which case they are closed into Loss and Gain), it is largely a matter of preference and convenience when the real accounts are closed. Student may omit closing the real accounts at the end of June. Always rule up and foot an account whenever it balances.

Continue the month of July under the same Ledger headings, and after closing, make out a Balance Sheet the same as that made out for June.

### LEDGER HEADINGS.

M. R. Powers, 8 lines; J. W. Webster, 8; Merchandise, 20; Cash, 25; Bills Receivable, 12; Bills Payable, 12; John Jenny, 6; Fixtures, 6; E. J. Hopson, 6; John Davis & Co., 6; Henry Diston, 6; J. O. Bishop, 8; Expense, 8; J. W. Hubbard & Co., New York, 8; Interest, 8; Discount, 6; Amos Duncan, 6; A. J. Shaw, Springfield, Ill., 6; T. A. Leddin, Memphis, Tenn., 6; J. W. Bradford & Co., Omaha, 6; Loss and Gain, 15.

### TRANSACTIONS.

19—

June 1. M. R. Powers and J. W. Webster have this day formed a copartnership for the purpose of carrying on the hardware business, M. R. Powers to share $\frac{2}{3}$, and J. W. Webster, $\frac{1}{3}$ of the gains and losses.

M. R. Powers invests his present stock of Hardware, inventoried at $2375; Store Fixtures valued at $500; an account against John Jenny, $115; a Note against A. B. Reid, $360; and Cash deposited in Farmers and Merchants Bank, $420. Total $3770. He owes E. J. Hopson on account, $250, and John A. Dore on Note, $300. Total $550.

J. W. Webster invests Cash, $1500.

" 1. Bought of John Davis & Co., on account, 100 kegs Nails at $4.50, $450; 4 doz. Mortise Locks, at $8, $32; 10 doz. Gate Hinges, assorted, at $7.50, $75; 4 tons Bar Iron, at $50, $200; 60 kegs Goodrich's Pat. Horse Shoes at $10, $600. Total $1357.

" 2. M. R. Powers having gone into the wholesale market to purchase goods, has taken with him for traveling expenses, Cash, $100.

" 2. Bought of Cregier & Adams, 10 doz. Nail Hammers at $7.50, $75; 50 doz. Shovels at $6.50, $325; 8 doz. Coal Picks at $9, $72; 6 doz. Wheelbarrows at $22, $132. Total $604. Gave in payment our Note at 25 days for $300; Cash for balance, $***.

" 4. Sold to J. O. Bishop, on account, 50 kegs Nails at $5, $250; 10 kegs Goodrich's Pat. Horse Shoes at $12.50, $125; 4 doz. Mortise Locks at $8.75, $35. Total $410.

" 5. Paid Cash for freight on goods received, $11.80.

" 7. Bought of Henry Diston, 2 doz. Hand Saws at $18, $36; 5 Cross Cut Saws at $5, $25; 8 doz. Butchers' Bow Saws at $13.50, $108. Total $169. Paid for same, Cash, $50; balance on account, $***.

" 9. On examining the goods purchased of Henry Diston on the 7th inst., we find a shortage of 1 Cross Cut Saw. We have charged same to his account and notified him.

" 11. Sold to J. W. Lawrence, 50 doz. Shovels at $7.25, $362.50; 4 doz. Wheelbarrows at $23, $92. Total $454.50. Received in payment, his Draft at 30 days on Henry Parker for full amount.

" 12 Received Cash of J. O. Bishop, on account, $75.

" 14. M. R. Powers having returned from the wholesale market, reports his traveling expenses to have been $75. The remainder of the fund he has retained for his private use.

19—

June 14. Bought of J. W. Hubbard & Co., New York, on account, 200 kegs Nails at $4.75, $950; 2 doz. Framing Chisels, assorted, at $8, $16; 4 doz. Wooden Chisel Handles at 75¢, $3. Total $969. Paid freight on same in Cash, $23.15. On examination we find the goods damaged to the extent of $60.20. J. W. Hubbard & Co. agree to bear $50 of the damage, and send us their check for the amount.

Checks are entered as cash.

" 16. Sold Henry G. Bourne, 4 doz. Butchers' Bow Saws at $14, $56; 2 doz. Nail Hammers at $7.75, $15.50; 3 doz. Coal Picks at $9, 27; 1 ton Bar Iron, $55. Total $153.50. Received in payment his order on J. W. Webster for $100; Cash for balance, $**.**

" 18. Paid John Davis & Co., Cash, on account, $200.

" 19. M. R. Powers has withdrawn for private use, Cash, $175.

" 21. Sold J. O. Bishop, 2 doz. Coal Picks at $10, $20; 1 doz. Framing Chisels, assorted, $9; 2 doz. Gate Hinges, assorted, at $8, $16; 2 doz. Wooden Chisel Handles at 80¢, $1.60; 1 Cross Cut Saw, $6. Total $52.60. Received in payment, Cash, $25; balance on account, $**.**.

" 23. The account against John Jenny not having been paid, we have brought suit. Advanced Cash $5, as attorney's fees in the case.

" 25. Paid J. W. Hubbard & Co., on account, Cash, $125; order on J. O. Bishop for $200. Total $325.

" 26. Paid Henry Diston in full of account, our Note at 30 days with 8% interest.

" 27. Sold Henry G. Bourne, on his Note at 20 days, 1 doz. Gate Hinges, $8.50; 4 doz. Butchers' Bow Saws at $14, $56; 20 kegs Goodrich's Pat. Horse Shoes at $13.55, $271; 50 kegs Nails at $4.75, $237.50. Total $573.

" 28. Sold to Geo. W. Colburn, 8 doz. Nail Hammers at $8, $64; 30 kegs Goodrich's Pat. Horse Shoes at $15, $450. Total $514. Received in payment his Note for $200; Cash for balance, $***.

" 30. Paid Cregier & Adams, Cash, for our Note of the 2nd inst. Face of Note, $300; interest on same at 8%, $1.87. Total $301.87.

" 30. Sold Amos Duncan, Detroit, Mich., on account, 2 doz. Wheelbarrows at $25, $50; 1 doz. Framing Chisels assorted, $7.50; 2 doz. Wooden Chisel Handles at 75¢, $1.50. Total $59.

INVENTORY OF PROPERTY UNSOLD, JUNE 30, 19—

| | | | |
|---|---|---|---|
| 300 kegs Nails, | @$4.50 | $1350.00 | |
| 7 doz. Gate Hinges, assorted, | @ 7.50 | 52.50 | |
| 3 " Coal Picks, | @ 9.00 | 27.00 | |
| 2 " Hand Saws, | @18.00 | 36.00 | |
| 3 tons Bar Iron, | @50.00 | 150.00 | |
| 3 Cross Cut Saws, | @ 5.00 | 15.00 | |
| 4 doz. Mortise Locks, | @ 9.00 | 36.00 | |
| 400 lbs. Assorted Chains, | @ .10 | 40.00 | |
| 10 doz. Grindstones, with Fixtures, | @14.00 | 140.00 | |
| 15 Heating Stoves, with Furniture, valued at | | 400.00 | |
| 4 tons Castings, | @70.00 | 280.00 | |
| Stock of Hollow Ware, valued at | | 800.00 | |
| Stock of Tinware, valued at | | 200.00 | |
| | | | $3526.50 |
| Fixtures, valued at | | | 450.00 |

## Results.

| | |
|---|---|
| Cash on hand, | $1141.68 |
| Bills Receivable on hand, | 1587.50 |
| Bills Payable outstanding, | 414.00 |
| Personal accounts owing us, | 336.60 |
| Personal accounts we owe, | 2051.00 |
| M. R. Powers' Net Capital at closing, | 3124.85 |
| J. W. Webster's " " " " | 1452.43 |

## THE BALANCE SHEET.

The Balance Sheet is a condensed statement designed to show at a glance, all facts in general, relating to the financial condition of the business. It is in reality an epitome of the Ledger. Its facts and figures are taken from the various Ledger Accounts, and its results must correspond with the closing entries in the Profit and Loss and Proprietor's Accounts in the Ledger.

In the first two columns will be placed a trial balance of the Ledger Accounts. Then begin with the first account after the proprietor's or partners' accounts and extend the differences between the debit and credit amounts into the columns to the right. If a real account, extend the difference into the column of Resources and Liabilities. If a representative account, extend the inventory into the Resource column and the difference into the Loss and Gain columns. The difference between the Loss and Gain columns will show the net gain or net loss, and this added to, or substracted from, the proprietor's net investment will give his net capital at closing, which is a liability to the business and hence must be extended into the Liability column. If no error has been made the net capital of the proprietor's or partners' when extended into the Resource and Liability columns will cause them to balance, thus proving the accuracy of the work.

The Balance Sheet may be made out from the Trial Balance *before* the Ledger is closed, and by some book-keepers this method is preferable to that of making out the Balance Sheet *after* the Ledger is closed, since it is an aid in closing the Ledger.

Having drawn off his Balance Sheet the book-keeper lays the same upon the proprietor's desk for his inspection. By comparison with former documents of the same kind, he is able to judge accurately of the progress and tendency of his business.

# Balance Sheet. June 30 19—

| LF | Accounts | Trial Balance Dr. | Trial Balance Cr. | Losses and Gains | Resources & Liabilities |
|---|---|---|---|---|---|
| | M. R. Powers | 750 | 3770 | | |
| | J. W. Webster | 100 | 1500 | | |
| | Mdse, Inv. 3526 50 | 5508 95 | 2281 80 | 299 35 | 3526 50 |
| | Cash | 2437 50 | 1295 82 | | 1141 68 |
| | Bills Rec. | 1587 50 | | | 1587 50 |
| | Bills Pay. | 300 | 714 | | 414 |
| | Personal Accts rec. | 336 60 | | | 336 60 |
| | Personal Accts pay. | | 2051 | | 2051 |
| | Fixtures, Inv. 500 | 500 | | 50 | 450 |
| | Expense | 100 | 25 | 75 | |
| | Interest | 1 87 | | 1 87 | |
| | Loss & Gain | 15 20 | | 15 20 | |
| | | 11637 62 | 11637 62 | | |
| | [illegible] | | | 299 35 | 299 35 |
| | M. R. Powers, Invest. | 3770 | | | |
| | Withdr. | 750 | | | |
| | Net Inv. | | 3020 | | |
| | ⅔ Net Gain | | 104 83 | | |
| | [illegible] | | | | |
| | J. W. Webster, Invest. | 1500 | | | |
| | Withdr. | 100 | | | |
| | Net Inv. | | 1400 | | |
| | ⅓ Net Gain | | 52 43 | | |
| | [illegible] | | | | |
| | | | | | 7042 28 7042 28 |

July 1. M. R. Powers has this day retired from the business, having sold his interest to J. W. Webster, who will continue the business, collect all debts, and pay all claims against the old firm; paying M. R. Powers for his interest, Cash, $500; Note at 20 days for $800; Note at 30 days for $1000; Note at 40 days for balance, $***.**.

" 1. Paid Cash for advertising the dissolution by notice in *The Tribune*, $5.

" 1. As a large trade has been built up by the old firm, it is agreed that J. W. Webster shall pay M. R. Powers a bonus of $500 for his $\frac{2}{3}$ of the good will of the business. Pursuant to agreement, the same is paid per check.

Debit J. W. Webster for this amount, as money withdrawn from the business.

" 2. Secured a loan at First National bank for 60 days. Gave my Note for $1000. Interest deducted at 7%, $12.25; proceeds received in Cash, $***.**.

2. Bought of J. T. Hayward & Co., 50 gross Wardrobe Hooks at $2.40, $120; 75 gross Screws at $2.25, $168.75; 3 doz. Pruning Knives at $7.25; $21.75; 10 doz. Hand Saws at $18, $180; 3 doz. Inch Framing Chisels at $15, $45. Total $535.50. Gave in payment Geo. W. Colburn's Note of the 28th ult., less discount at 6%. Face of Note, $200; discount off for 28 days, 93¢. Net proceeds, $199.07; my Note at 60 days for $200; Cash for balance, $***.**.

" 3. Sold to A. J. Shaw, Springfield, Ill., 1 doz. Gate Hinges, assorted, $8; 25 kegs Nails at $5, $125; 2 tons Bar Iron at $55, $110. Total $243. Received in payment his Note at 30 days for $75; Cash, $50; balance on account, $***.

" 6. Paid J. W. Hubbard & Co., on account, Cash, $75.

" 10. Bought of Wilmington Coal Co., for Cash, 3 tons Hard Coal for use in store at $7.25, $21.75.

" 12. Bought of T. A. Leddin, Memphis, Tenn., 8 doz. Shovels at $6.50, $52; 6 doz. Long Handled Shovels at $5, $30; 20 doz. Pitchforks at $7.50, $150; 10 doz. Wheel-barrows at $22.50, $225. Total $457. Paid him Cash, $250; balance on account, $***.

" 13. Sold to A. S. Barnes, Cincinnati, Ohio, 10 doz. Pitchforks at $8, $80; 4 doz. Shovels at $7, $28; 20 gross Wardrobe Hooks at $2.50, $50; 50 kegs Nails at $5, $250. Total $408. Received in payment, J. W. Hubbard & Co.'s Draft on us at 10 days' sight (Barnes' favor) for $569. Gave a Note signed by A. B. Reid, favor M. R. Powers, payable in Chicago, for $360, with interest on same 47 days (no rate mentioned), $*.**, and the difference is settled in Cash, $***.**.

" 14. Amos Duncan having failed, has compounded with me at 50%. Received Cash, $29.50. Lost the balance, $**.**.

" 15. Sold J. W. Bradford & Co., Omaha, Neb., 10 gross Wardrobe Hooks at $2.50, $25; 5 gross Screws at $2.75, $13.75; 2 doz. Hand Saws at $22, $44; 50 kegs Nails at $6, $300. Total $382.75. Received in payment his Note for $200; balance on account, $***.**.

" 24. Paid M. R. Powers Cash for my Note of the 1st inst. and interest at 8%. Face of Note, $800; interest on same, 23 days, $*.**. Total $***.**.

" 24. Bought of John Riley, Clinton, Ia., on my Note at 60 days, 100 kegs Nails at $5, $500; 5 doz. Coal Picks at $9, $45. Total $545.

" 25. Sold to J. O. Bishop, 3 doz. Inch Framing Chisels at $14, $42; 3 doz. Pruning Knives at $7, $21; 10 doz. Hand Saws at $16, $160; 5 doz. Coal Picks at $8, $40; 75 kegs Nails at $4.50, $337.50. Total $600.50. Received in payment, Cash, $200; balance on account, $***.**.

" 25. Henry G. Bourne having failed, has paid his Note for $573 in our favor of the 27th ult. at 50¢ on the dollar. Cash received, $286.50. Lost the balance, $286.50.

" 26. Store and entire contents were destroyed by fire this morning, and have sustained a total loss. The books were saved.

19—

July 27. Received Cash of J. W. Bradford & Co., Omaha, on account, $150.

" 28. Paid Henry Diston Cash for our Note of the 26th ult., with interest. Face of Note, $114. Interest, 33 days, at 8%, **¢. Total $***.**.

" 30. Paid T. A. Leddin, Memphis, Cash on account $75.

## Results.

| | |
|---|---|
| Cash on hand, | $564.67 |
| Bills Receivable on hand, | 729.50 |
| Bills Payable outstanding, | 3869.85 |
| Personal Accounts owing me, | 828.85 |
| Personal Accounts I owe, | 1539.00 |
| J. W. Webster's Net Insolvency at closing, | 3285.83 |

## PRICE LISTS FOR JUNE AND JULY.

The following Price Lists with Results to correspond are given for the months of June and July, and can be used instead of the prices given in the transactions if desired.

| | Buying Price for June and July. | | | | | Selling Price for June and July. | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Articles. | List 1 | 2 | 3 | 4 | 5 | List 1 | 2 | 3 | 4 | 5 |
| Chains, assorted | $0.11 lb. | .11½ | .12 | .10 | .11 | $0.12½ lb. | .14 | .16 | .13 | .16 |
| Chisels, framing, assorted | 9.00 doz. | 10.00 | 9.50 | 9.75 | 9.00 | 10.00 doz. | 11.00 | 10.50 | 10.75 | 10.50 |
| Chisels, framing, inch | 15.00 doz. | 14.00 | 14.50 | 13.75 | 14.00 | 17.00 doz. | 16.00 | 16.50 | 16.00 | 16.00 |
| Coal Picks | 9.50 doz. | 9.00 | 8.50 | 9.00 | 9.20 | 10 00 doz. | 9.50 | 8.50 | 9.50 | 10.00 |
| Grindstone | 15.00 doz. | 14.00 | 15.00 | 16.00 | 15.00 | 16.00 doz. | 15.00 | 16.00 | 17.00 | 16.50 |
| Hammers, nail | 8.00 doz. | 9.00 | 8.50 | 8.00 | 7.80 | 9.00 doz. | 10.00 | 9.50 | 9.00 | 8.90 |
| Handles, wooden chisel | .80 doz. | .75 | .80 | .65 | .90 | .90 doz. | .85 | .90 | .75 | 1.00 |
| Hinges, gate | 7.75 doz. | 8.00 | 8.50 | 7.50 | 7.75 | 8.00 doz. | 8.50 | 9.00 | 8.00 | 8.25 |
| Hooks, wardrobe | 2.50 gr. | 3.00 | 2.75 | 2.90 | 3.10 | 3.00 gr. | 3.50 | 3.25 | 3.40 | 3.75 |
| Horse Shoes, Goodrich Pat | 11.00 kg. | 10.00 | 11.50 | 10.60 | 11.00 | 12.00 kg. | 11.00 | 12.50 | 12.00 | 12.00 |
| Iron, bar | 60.00 ton. | 65.00 | 68.00 | 60.00 | 58.00 | 75.00 ton. | 80.00 | 85.00 | 75.00 | 70.00 |
| Knives, pruning | 8.00 doz. | 7.50 | 8.25 | 8.50 | 8.00 | 10.00 doz. | 9.50 | 10.50 | 10.50 | 10.00 |
| Locks, mortise | 8.50 doz. | 8.25 | 8.50 | 9.00 | 10.00 | 9.00 doz. | 9.00 | 9.00 | 9.50 | 10.00 |
| Nails | 4.75 kg. | 4.50 | 4.60 | 4.75 | 4.40 | 5.00 kg. | 4.25 | 4.80 | 5.00 | 4.25 |
| Pitchforks | 8.00 doz. | 7.00 | 7.50 | 7.75 | 7.80 | 10.00 doz. | 7.50 | 7.00 | 6.00 | 8.00 |
| Saws, butcher's bow | 15.00 doz. | 14.00 | 13.00 | 15.00 | 14.50 | 16.00 doz. | 14.00 | 13.50 | 16.00 | 15.00 |
| Saws, cross cut | 5.00 each. | 5.50 | 6.00 | 5.80 | 6.25 | 6.00 each. | 6.50 | 7.00 | 7.00 | 6.00 |
| Saws, hand | 20.00 doz. | 20.00 | 25.00 | 22.50 | 18.00 | 25.00 doz. | 24.00 | 20.00 | 22.00 | 18.00 |
| Screws | 3.00 gr. | 2.50 | 2.75 | 2.50 | 3.00 | 4.00 gr. | 3.50 | 3.75 | 3.50 | 4.00 |
| Stoves, heating | 25.00 each. | 26.00 | 28.00 | 30.00 | 32.00 | 30.00 each. | 28.00 | 24.00 | 27.00 | 20.00 |
| Shovels | 7.00 doz. | 7.50 | 6.50 | 7.00 | 7.25 | 8.00 doz. | 8.50 | 7.50 | 8.00 | 9.00 |
| Shovels, long handled | 6.50 doz. | 7.00 | 7.25 | 6.50 | 6.00 | 8 00 doz. | 7.00 | 7.50 | 9.00 | 10.00 |
| Wheelbarrows | 24 00 doz. | 30.00 | 28.00 | 25.00 | 26.00 | 28.00 doz. | 32.00 | 30.00 | 26.00 | 24.00 |

In closing the ledger, compute the inventories at the buying price. Any quantities in the inventory not mentioned in the above price list, to be taken at the value given in the list of quantities at the close of each month's transactions.

### Results for June.

| | List 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $1047.18 | $955.68 | $1066.68 | $1043.68 | $1017.08 |
| Bills Receivable | 1634.00 | 1610.00 | 1608.00 | 1626.00 | 1626.75 |
| Bills Payable | 430.00 | 424.00 | 428.00 | 438.20 | 427.00 |
| Accounts Receivable | 342.60 | 305.40 | 342.60 | 341.50 | 303.00 |
| Accounts Payable | 2182.70 | 2071.00 | 2208.20 | 2159.10 | 2076.10 |
| M. R. Powers' net capital | 3064.55 | 3006.39 | 3073.39 | 3124.52 | 3085.56 |
| J. W. Webster's net capital | 1422.28 | 1393.19 | 1426.69 | 1452.26 | 1432.77 |

### Results for July.

| | List 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $403.46 | $256.45 | $342.72 | $352.67 | $306.60 |
| Bills Receivable | 787.00 | 828.00 | 770.00 | 779.00 | 821.00 |
| Bills Payable | 3787.05 | 3701.39 | 3775.89 | 3844.52 | 3771.56 |
| Accounts Receivable | 988.80 | 907.20 | 954.60 | 957.25 | 866.15 |
| Accounts Payable | 1708.70 | 1727.00 | 1810.25 | 1694.60 | 1728.50 |
| J. W. Webster's net insolvency | 3316.49 | 3436.74 | 3518.82 | 3450.20 | 3506.31 |

# Trade Discounts.

A *Trade Discount* is an allowance of a certain per cent from the list or catalogue price. Manufacturers and dealers usually issue their catalogues or price lists annually. The price quoted in such catalogue is called the *list price*, and discounts are made from this according to the demands of the market. These discounts are called *trade discounts*, and are estimated at a certain per cent. There may be two or more of such discounts upon the same bill, in which case the second is computed upon what remains after deducting the first. Thus a bill of goods is sold with an allowance of 20, 10 and 5% off. In this case the 20% is first deducted from the amount of the bill, then 10% of the remainder is deducted from the remainder, after which 5% of what still remains is deducted therefrom, and the remainder is called the net amount.

In the following Invoice a Trade Discount of 20 and 5% has been allowed:

BOOK M
PAGE · 187

NEW YORK, Sept. 26th 19_

Mr. William D. Brown,

BOUGHT OF H. B. DUNCAN & CO.

WHOLESALE HARDWARE

TERMS 30 DAYS { OR 2% DISCOUNT FOR CASH IN 10 DAYS

| | | | | | | |
|---|---|---|---|---|---|---|
| 15 | F Base Burners | $27.50 | 412 | 50 | | |
| 12 | K Ranges | 30. | 360 | | | |
| 8 | kegs Nails 10 d 800# | 5¢ | 40 | | | |
| 6 | " do 8 d 600# | 5½¢ | 33 | | | |
| 24 | doz. Knives & Forks | $1.25 | 30 | | | |
| 8 | " Silver Spoons | 3.60 | 10 | 80 | | |
| 4 | " Tack Hammers | 1.10 | 4 | 40 | 890 | 70 |
| | 20 and 5 off | | | | 213 | 76 |
| | | | | | 676 | 94 |

## CASH DISCOUNT.

Goods are sold for cash or on credit. If sold on credit the bills are due and payable at a stated time, usually monthly. If paid before due, an allowance is usually made for such payment, and this is called a *cash discount*. Merchants have printed upon their bill heads the terms under which payment may be made, and the customer is given the alternative of paying the bill before due and receiving the discount or withholding payment until the expiration of the term of credit. Thus, *30 days, 3% off 10 days*, indicates that the customer may pay in 30 days, or by paying in ten days he will receive an allowance of 3% from the bill. This allowance is the *Cash Discount*. The amount remaining after all discounts and deductions have been made is the *Net Amount* of the bill.

In entering a sale of goods. the Trade Discounts are taken off at the *time the entry is made*, but the Cash Discount is *not taken off until the bill is paid.*

In the Invoice on the previous page a trade discount of 20 and 5% has been allowed, and in addition to this a Cash Discount of 2% is deducted for payment before the expiration of the 10 days allowed. The net amount after deducting the Cash Discount of 2% is $663.40.

Desiring to pay this invoice before the expiration of the ten days and thus secure the Cash Discount, Wm. D. Brown purchases a *Bank Draft* for the net amount ($663.40), payable to himself or order.

This form of remittance is most generally used by business men, as convenient, safe and economical. The bank may charge a slight fee, called Exchange, for issuing such a Draft.

FORM OF BANK DRAFT.

First National Bank.

No. 2964 Chicago, Sept. 30, 190

Pay to the order of Wm. D. Brown $663.40

Six Hundred Sixty three and 40/100 Dollars.

To Chemical National Bank, New York. R. J. Street, Cashier.

The advantage in having the Draft written payable to Wm. D. Brown instead of being payable directly to the firm who is to receive the money, is to show that the paper has passed through the hands of Wm. D. Brown, or, in other words, that he has paid his debt to H. B. Duncan & Co. by means of this Draft.

Brown now endorses the Draft as follows:

*Pay to*
*H. B. Duncan & Co.*
*or order.*
*Wm. D. Brown.*

After endorsement the draft is enclosed in a properly written letter, a form of which is given on the next page, and forwarded to the firm of Duncan & Co.

OFFICE OF
Wm D. BROWN.
DEALER IN
STOVES AND HARDWARE

CHICAGO. Sept. 30, 19__

Messrs. H. B. Duncan & Co.,
New York City.

Gentlemen:—

Enclosed please find New York Exchange in settlement of your Invoice of the 26th as follows:

| | |
|---|---|
| Amount of invoice | $676.94 |
| Cash discount, 2% | 13.54 |
| Draft enclosed | $663.40 |

Thanking you for your prompt attention to my orders, I am

Yours truly,
Wm D. Brown.
Per J.

**In enclosing a Draft, Check or other document for remittance by mail, place the draft across the upper half of the letter sheet (even better, pin it to the letter sheet) then fold the letter as if the Draft were not there.**

## QUESTIONS FOR REVIEW.

1. What is an Account? 2. Define the Ledger. 3. What is Posting? 4. What is a Ledger Heading? 5. What must the ledger titles or headings correspond with? 6. How many sides has every account, and what are they? 7. How is an account debited? 8. How is an account credited? 9. What is the title line? 10. Define the different columns in an account. 11. What account should appear first in the Ledger, and why? 12. How should ledger headings be written? 13. What is the rule in reference to abbreviating ledger headings? 14. What title is used by some book-keepers instead of the proprietor's name? 15. Where are debit items in the Journal posted? 16. What explanation is written in the item column in the Ledger, when posting debit items? 17. Where are credit items in the Journal posted? 18. What explanation is written in the item column in the Ledger when posting credit items? 19. What is post-marking, and what does it consist in? 20. What is the object of a Trial Balance? 21. How is a Trial Balance made? 22. What does the Trial Balance prove? 23. Does the Trial Balance prove the absolute correctness of the Ledger, and why? 24. What method must be pursued in case the Ledger is found to be out of balance? 25. What is "forcing a trial", and what can be said of the practice? 26. Should the Trial Balance be preserved; why and how? 27. What we do we understand by "closing the Ledger"? 28. What three things will the Ledger exhibit when closed? 29. How often is it customary to close books in business? 30. How are accounts classified as to their nature? 31. Define a Real account, and give examples. 32. Define a Representative account and give examples. 33. Why are Representative accounts so called? 34. How are Real accounts closed? 35. How are Representative accounts closed? 36. What is to be done with the inventories of property on hand, in the process of closing Representative accounts? 37. What does a red ink entry upon the Ledger signify? 38. In transferring entries why do they change sides? 39. What does the debit side of Cash account show? 40. What does the credit side show? 41. What does the difference show? 42. On which side will the closing entry always appear; why? 43. After closing a real account why is the balance brought down immediately beneath the rulings on the opposite side? 44. What does the debit side of Bills Receivable account show? 45. What does the credit side show? 46. On which side is the first entry always made; why? 47. How is this account closed? 48. What does the credit side of Bills Payable account show? 49. What does the debit side show? 50. On which side is the first entry always made; why? 51. How is this account closed? 52. What does the debit side of a personal account show? 53. What does the credit side show? 54. What does the difference show? 55. How is the account closed? 56. What does the debit side of Merchandise account show? 57. What does the credit side show? 58. Why is the inventory always entered upon the credit side? 59. After entering the inventory upon the credit side what does the difference between the two sides show? 60. Where is this difference transferred? 61. What does the debit side of Expense show? 62. What does the credit side show? 53. What does the difference show? 64. What does the debit side of Loss and Gain account show? 65. What does the credit side show? 66. What does the difference show? 67. How is this difference entered in the Loss and Gain account? 68. Where is this carried? 69. What does the credit side of the proprietor's account show? 70. What does the debit side show? 71. What does the difference show, and how is it entered? 72. What is a statement, and what is it intended to show? 73. Where are the facts to be found from which the statement is made up? 74. What can you say as to the importance of neat and accurate ruling, and how may this be secured? 75. What is a Balance Sheet? 76. Wherein does a Balance Sheet differ from a Statement of Resources and Liabilities? 77. What advantage, if any, has a Balance Sheet over a Statement? 78. From what column or columns in the Balance Sheet would you determine whether the business had been prosperous or adverse? 79. From what source would you ascertain the value of your business in case you were about to sell? 80. In case the proprietor were insolvent what column in the Balance Sheet would exhibit the amount of such insolvency? 81. What are Trade discounts? 82. Define Cash discounts. 83. When are Trade discounts taken off? 84. When are Cash discounts taken off? 85. Suppose Trade discounts of 50%, 30% and 20% were taken off, would anything be left, and if so, how much on a bill of $100? 86. Explain why this result is correct. 87. How are remittances usually made in settlement of bills in business? 88. What is the object of making the bank draft payable to yourself and then endorsing it over to the person or firm to whom the invoice is payable?

# RETAIL.

## DAY BOOK, JOURNAL, CASH BOOK AND LEDGER.

### DOUBLE ENTRY.

PRESUMING that the student has mastered the underlying principles, or theory, of book-keeping in the preceding pages, and that he has acquired, in some degree, that discipline in patience, accuracy and taste so requisite to the successful accountant, he is now to become acquainted with some of the forms and methods in use in the various departments of business. While the books of merchants may differ, this difference is never in principle, but in those minor details and methods depending upon the extent and peculiarities of the business, to which the intelligent book-keeper can readily adapt himself. In fact the best record can only be made by the use of special books and special forms adapted to the requirements of the business.

In entering upon the practical part of this work, the student may treat all Checks Postal Notes, Money Orders, and Sight Drafts received, unless drawn upon us, as Cash. Personal accounts should be ruled up and footed at any time when they balance.

In business it is customary to balance personal accounts whenever a statement is rendered to the person, or a settlement or agreement arrived at, irrespective of when the Ledger is closed. The transactions in this set should be first written in the

### DAY BOOK.

This is a book of original entry, and should contain a complete and consecutive history of the transactions of the house, made in the order, and at the date, of their occurrence. Its language should be clear and concise, without superfluous words, or lacking in sufficient explanation. As the entries in this book are supposed to be made while the facts are fresh in the mind, it is, when properly kept, admissible as evidence in a court of justice. The first money column in this book is called the *item* column, and the second the *amount* or *total* column.

In recording purchases and sales, the entry may be abbreviated by using *By* before things received, or debits, and *To* before things disposed of, or credits. Transactions which are not easily abbreviated, such as the discounting of paper, may be written out in full narrative form, as they comprise a comparatively small portion of the record. After the Day Book is written up, its Cash entries are carried to the

### CASH BOOK.

This book does not differ materially from the Cash account in the Ledger. Numerous Cash transactions would greatly encumber the Ledger, hence the object of keeping a separate book in which to record Cash entries. Besides, the Cash Book affords more room for explanations of the entries, and greater facility for exhibiting the balance on hand by frequent closings. All receipts are placed on the Dr. side, *To* the name of the person or thing producing the Cash, and all payments are placed on the Cr. side, *By* the name of the person or thing costing the Cash.

In case a Note or Draft is discounted, the face of the Note or Draft is entered in the Cash Book, as if that amount had been received or paid out, and then an entry is made on the opposite side for the discount.

All entries in the Day Book, other than Cash, must be entered in the

## JOURNAL.

Concerning this book, little need be here said. In case a purchase or sale is made in which a portion only is paid, a Journal entry is first made as if nothing had been paid, and then another Journal or Cash entry is made for the payments, as if paid on account, thus separating the purchase, or sale, and the payment, as if distinct and separate transactions.

Thus, suppose we sell John Brown a bill of goods amounting to $500 and receive in part payment his note for $200 and Cash for $200. We first make an entry charging John Brown for the whole amount of the goods as if nothing had been paid, thus:

| | | |
|---|---|---|
| *John Brown,* | $500. | |
| *To Mdse.,* | | $500. |

Then another Journal entry for the note received, thus:

| | | |
|---|---|---|
| *Bills Rec,* | $200. | |
| *To John Brown,* | | $200. |

and an entry in the Cash Book, *crediting John Brown* for the $200 Cash.

The object of this method is the same as in entering discounted notes or drafts in the Cash Book, viz.: to have the Ledger account show the entire transaction. At the end of the month, or other stated time, when a Statement of Account is rendered to the customer it will show his purchases or debits and then his payments or credits, thus exhibiting clearly before him the true condition of his account.

As the Day Book entries are carried to the Journal and Cash Book, they are checked (√) off in the Day Book, and as the Journal and Cash Book entries are posted to the Ledger they should be post-marked, by putting the page of the Journal or Cash Book in the Ledger, and the page of the Ledger in the Journal or Cash Book.

After posting the month of August, take a Trial Balance, close the Ledger, and make out a Balance Sheet. Continue the month of September under the same headings, closing it and making a Balance Sheet the same as for August.

### LEDGER HEADINGS.

Give each account not less than the following number of lines, and do not divide an account at the bottom of any page·

A. W. Mason, 15 lines; J. B. Campbell, 10; Cash, 12; Merchandise, two entire pages; C. H. Dexter, 8; J. Riley, Clinton, Iowa, 8; R. C. Windsor, 15; J. W. Lunt, 15; Bills Receivable, 10; J. Armstrong & Co., 15; Bills Payable, 25; R. A. Lambert, 8; L. B. Mantonya & Co., 8; Geo. W. Simpson, 10; J. Mershon, & Co., 10; Shipment, L. B. Mantonya & Co., 10; J. B. Merriam, Boston, 8; Thomas Hamer, 8; W. F. Johnson, 8; Thompson & White, Omaha, Neb., 8; Shipment, Thompson & White, Omaha, 8; D. B. Bradshaw, Lynn, Mass., 8; C. M. Henderson & Co., Chicago, 8; H. D. Comstock & Co., New York, 8; C. H. Fargo & Co., Chicago, 8; Louis Gould & Co., 8; A. W Dudley, 8; Interest & Discount, 20; Collection & Exchange, 12; Cash Discount, 8; Expense, 20; Profit and Loss, 1 page.

As Interest and Discount on notes and drafts are items of the same nature we will combine them in one account, called *Interest and Discount*. Such items as Premium on drafts, collection fees charged by the banks for collecting paper, and Exchange, which is another name for Premium, will all be entered under the head of *Collection and Exchange*.

### TRANSACTIONS.

19—

August 1. A. W. Mason has this day commenced the retail boot and shoe business with a cash capital of $2500.

Enter in your Day Book as per form given on page 77.

" 1. Bought of C. H. Fargo & Co., Chicago, for Cash, 48 prs. Ladies' Lasting Balmorals at $1.25, $60; 84 prs. Ladies' Kid Sewed Balmorals at $2.50, $210. Total $270.

See second Day Book entry, page 77.

19—

August 3. Bought of Louis Gould & Co., Philadelphia, 60 prs. French Calf Pegged Boots at $3.50, $210; 24 prs. Farmers' Kip Boots at $2.60, $62.40; 72 prs. Boys' Fine Kip Boots at $2, $144; 24 prs. Boys' Stoga Boots at $1.75, $42. Total $458.40. Gave in payment, Cash, $258.40; my Note at 90 days 8% for balance, $***.

See third Day Book entry, page 77.

" 6. Sold to J. D. Fielding, for Cash, 2 prs. French Calf Pegged Boots at $5.50, $11; 1 pair Boys' Stoga Boots at $2. Total $13.

Similar to second Day Book entry, page 77, except *To* and *By* are reversed.

" 8. Sold to C. H. Dexter, on account, 4 prs. Boys' Fine Kip Boots at $2.75, $11; 3 prs. Farmers' Kip Boots at $3.25, $9.75. Total $20.75.

Same as first part of previous entry.

" 10. Bought of J. Armstrong & Co. 240 prs. Buff Oxford shoes at $2, $480; 120 prs. Children's Buff Balmorals at $1.25, $150; 72 prs. Kip Brogans at $2.35, $169.20. Total $799.20. Gave in part payment, Cash, $199.20. Paid freight and drayage on goods in Cash, $7.50.

Similar to third entry. Beneath the entry of payment, enter "*Paid Cash for Freight and Drayage*," and write the amount $7.50 in the total column.

" 12. Bought of Louis Gould & Co., Philadelphia, 240 prs. Kip Plow Shoes at $1.75, $420; 300 prs. Misses' Calf Balmorals at $1.50, $450. Total $870. Gave in payment my Note at 10 days, with 8% interest for $700; Cash for balance, $170.

"*To Note 10 ds. 8% for $700.*" The Day Book entry must contain the time and rate of interest of the note in every case.

" 14. Received of C. H. Dexter, Cash, to apply on account, $10.

See fourth Day Book entry.

" 15. Sold to J. Riley, Clinton, Iowa, 2 prs. Children's Buff Balmorals at $1.60, $3.20; 6 prs. Buff Oxford Shoes at $2.50, $15. Total $18.20. Received in part payment, Post Office money order, $10.

For the credit item enter "*By P. O. Order $10.*"

" 15. Petty sales per Cash Drawer, $48.60.

See fifth entry in Day Book.

" 17. Sold to Lawrence Cook, for Cash, 2 prs. Ladies' Lasting Balmorals at $1.75, $3.50; 3 prs. Farmers' Kip Boots at $3.25, $9.75. Total $13.25.

Enter same as that of 6th inst.

" 19. Received Cash of C. H. Dexter, to apply on account, $5.

" 20. Sold to J. W. Lunt, on account, 4 prs. Ladies' Kid Sewed Balmorals at $2.85, $11.40; 2 prs. Boys' Stoga Boots at $3.15, $6.30. Total $17.70.

" 22. A. W. Mason has withdrawn Cash for private use, $25.

Enter "*To Cash withdrawn for private use.*"

" 25. Paid Cash for my Note, now due, favor Louis Gould & Co., and interest thereon to date. Face of Note, $700; interest on same, at 8% $*.**. Total $***.**.

See sixth Day Book entry.

" 25. Sold to R. C. Windsor, Milwaukee, Wis., 8 prs. Buff Oxford Shoes at $2.75, $22; 3 prs. Ladies' Kid Sewed Balmorals at $3.50, $10.50. Total $32.50. Received in part payment, Cash, $20.

" 26. Paid Louis Gould & Co., on my Note of the 3rd inst., Cash, $125.

" 26. Sold to J. W. Lunt, 6 prs. Farmers' Kip Boots at $3.25, $19.50; 4 prs. Children's Buff Balmorals at $1.50, $6. Total $25.50. 10% off. Received in payment, Cash, $15.

After extending the items into the item column draw a line beneath, add, and place the gross amount of the bill below. Then compute the discount, place same in the item column, subtract, and extend the *net amount* of the bill into the total column. Thus all deductions should be made in the item column.

19—

August 27. Paid Cash for postage stamps, $3.

" 27. Paid J. Armstrong & Co. on account, Cash, $100.

" 27. Petty sales per Cash Drawer, $85.70.

" 28. Sold to M. W. Fuller, for Cash, 6 prs. Kip Plow Shoes at $2.25, $13.50.

" 28. Received of J. W. Lunt, on account, Cash, $20.

" 28. Sold to A. W. Green, 4 prs. French Calf Pegged Boots at $4, $16; 2 prs. Farmers' Kip Boots at $3.25, $6.50; 6 prs. Buff Oxford Shoes at $2.50, $15; 5 prs. Kip Brogans at $2.80, $14. Total $51.50. Received in payment his Note at 60 days with 8% interest added in face of Note. Interest, $.**. Face of Note, $**.**.

After entering the sale and extending the amount into the total column, write directly beneath, "*To Interest on Note, 63 ds. 8%*" placing the amount of interest in the total column. Draw a line, add, and place the total upon the next line below, opposite which write "*By Note 60 ds. 8% in full for.*"

" 29. Paid Louis Gould & Co., Cash on my Note of the 3rd inst., $55.

" 30. Received of R. C. Windsor, Milwaukee, in full of account, J. Armstrong & Co.'s order on me, $**.**.

Enter, "*By J. Armstrong & Co's. order on me in full of account.*"

" 31. Paid rent of store for August in Cash, $60.

INVENTORY OF PROPERTY UNSOLD, AUGUST 31, 19—

| | | | | | |
|---|---|---|---|---|---|
| 54 | prs. | French Calf Pegged Boots, | @ | $3.50 | $***. |
| 10 | " | Farmers' Kip Boots, | @ | 2.60 | **. |
| 68 | " | Boys' Fine Kip Boots, | @ | 2.00 | ***. |
| 46 | " | Ladies' Lasting Balmorals, | @ | 1.25 | **.** |
| 220 | " | Buff Oxford Shoes, | @ | 2.15 | ***. |
| 114 | " | Children's Buff Balmorals, | @ | 1.25 | ***.** |
| 67 | " | Kip Brogans, | @ | 2.35 | ***.** |
| 234 | " | Kip Plow Shoes, | @ | 2.00 | ***. |
| 300 | " | Misses' Calf Balmorals, | @ | 1.75 | ***. |
| 77 | " | Ladies' Kid Sewed Balmorals, | @ | 2.50 | ***.** |
| 21 | " | Boys' Stoga Boots, | @ | 1.75 | **.** |
| | | | | | $*****.** |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $778.93 |
| Bills Receivable on hand, | 52.22 |
| Bills Payable unpaid, | 20.00 |
| Personal Accounts owing me, | 19.60 |
| Personal Accounts I owe, | 487.50 |
| A. W. Mason's Net Capital at closing. | 2746.95 |

August 1, 19__

| | | | Items | Total |
|---|---|---|---|---|
| | ✓ | A. K. Mason invests Cash | | 2500 |
| " 1 | ✓ | C. H. Fargo & Co. Chicago | | |
| | | By 45 prs. Ladies' Last. Bal. $1.25 | 60 | |
| | | " 84 " Ladies' Kid Sid " 2.50 | 210 | 270 |
| | | To Cash in full $270. | | |
| " 3 | ✓ | Louis Gould & Co. Phila. | | |
| | | By 6 prs Fr. Calf Pgd Boots $3.50 | 210 | |
| | | " 24 " Farmers Kip Boots 2.60 | 62 40 | |
| | | " 72 " Boys' Fine " " 2. | 144 | |
| | | " 24 " " Stoga Boots 1.75 | 42 | 458 40 |
| | | To Cash $258.40 | | |
| | | " Note 90 ds. for bal. 200. | | |
| " 14 | ✓ | C. H. Dexter | | |
| | | By Cash on account | | 10 |
| " 15 | ✓ | Petty Sales per Cash Drawer | | 48 60 |
| " 25 | ✓ | Paid Cash for my Note favor | | |
| | | Louis Gould & Co. and interest | | |
| | | to date | | |
| | | Face of Note | 700 | |
| | | Interest at 8% 13 ds | 2 02 | 702 02 |

Dr. 19

# Cash

| Date | | LF | Accounts | Explanations | Items | Total |
|---|---|---|---|---|---|---|
| Aug. | 1 | | To A. W. Mason | Investment | 2500 | |
| " | 6 | | " Mdse | Sale to J. D. Fielding | 13 | |
| " | 14 | | " C. H. Dexter | On account | 10 | |
| " | 15 | | " J. Riley | On account | 10 | |
| " | 15 | | " Mdse | Petty sales per C. D. | 48 60 | |
| " | 17 | | " Mdse | Sale to L. Cook | 13 25 | |
| " | 19 | | " C. H. Dexter | On account | 5 | |
| " | 25 | | " R. C. Windsor | On account | 20 | |
| " | 26 | | " J. W. Lunt | On account | 15 | |
| " | 27 | | " Mdse | Petty sales per C. D. | 83 70 | |
| " | 28 | | " Mdse | Sale to W. W. Fuller | 13 50 | |
| " | 28 | | " J. W. Lunt | On account | 20 | |
| | | | | Total Receipts | | 2754 65 |
| | | | | | | 2754 65 |
| Sept. | 1 | | To Balance | Brought down | | 778 93 |

## EXPLANATIONS OF THE CASH BOOK.

This book contains a full and detailed account of all money received and paid out. Although a comparatively simple book, consisting of receipts on one page and payments on the opposite, yet it is one of the most difficult to keep, requiring the most scrupulous care on the part of book-keeper or cashier.

Each entry in the Cash Book may be said to consist of four parts, viz.: 1. The date—it being often important to know *when* a payment was received or made. 2. The name of the account to be credited or debited in the Ledger. 3. The explanation, which should be sufficiently explicit to convey a clear understanding of the transaction. These explanations should be written in a smaller hand, and as a matter of taste, should begin at a uniform distance from the ruled columns. 4. The amount received or paid, which should be placed in the first or item column.

19 **Cash** Cr.

| Date | LF | Accounts | Explanations | Items | Total |
|---|---|---|---|---|---|
| Aug. 1 | | By Mdse | C. H. Fargo & Co. Inv. | 270 | |
| " 3 | | " Mdse | L. Gould & Co. | 258 40 | |
| " 10 | | " Mdse | Freight and drayage | 7 50 | |
| " 10 | | " J. Armstrong & Co. | On account | 199 20 | |
| " 12 | | " Mdse | L. Gould & Co. Inv. | 170 | |
| " 22 | | " A. W. Mason | For private use | 25 | |
| " 25 | | " Bills Pay. | Favor L. Gould & Co. | 700 | |
| " 25 | | " Interest | On above note | 2 02 | |
| " 26 | | " Bills Pay. | Favor L. Gould & Co. | 125 | |
| " 27 | | " Expense | Postage Stamps | 2 | |
| " 27 | | " J. Armstrong & Co. | On account | 100 | |
| " 29 | | " Bills Pay. | Favor L. Gould & Co. | 55 | |
| " 31 | | " Expense | Rent for July | 60 | |
| | | | Total Payments | | 1975 12 |
| | | | | | 2754 05 |

The items found on the Dr. side of the Cash Book are posted to the credit side of their respective accounts in the Ledger *By Cash*, and those found on the Cr. side, to the debit side of their respective accounts *To Cash*. The total receipts are posted to the debit side of the Cash account "*To Sundries*," and the total payments are posted to the credit side of the Cash account "*By Sundries*."

With concerns doing a large Cash business it is customary to close the Cash Book daily, and bring the balance down, which must agree with the Cash on hand. In closing, the total receipts and total payments are extended into the right hand or amount columns, the balance is entered in red ink, and brought down in black ink. In bringing down the balance on hand, it should be entered in the amount column to keep it distinct from the receipts of the following day.

The student will notice that the ruling of the Cash Book is similar to that of a Ledger account.

The ruling is no unimportant part of the work of keeping a Cash Book, and especial attention should be paid to it, carefully studying the method given above.

August 3. 19—

19—

| | | | | |
|---|---|---|---|---|
| | | Mdse | 200 | |
| | | To Bills Pay. | | 200 |
| " | 8 | C. H. Dexter | 20 75 | |
| | | To Mdse | | 20 75 |
| " | 10 | Mdse | 799 20 | |
| | | To J. Armstrong & Co. | | 799 20 |
| " | 12 | Mdse | 700 | |
| | | To Bills Pay. | | 700 |
| " | 15 | J. Riley, Clinton, Ia. | 18 20 | |
| | | To Mdse | | 18 20 |
| " | 20 | J. M. Lunt | 17 70 | |
| | | To Mdse. | | 17 70 |
| " | 25 | R. C. Winds— | 32 50 | |
| | | To Mdse | | 32 50 |

19—

Sept. 1. Bought of D. B. Bradshaw, Lynn, Mass., 56 prs. Farmers' Kip Boots at $2.62, $***.**. Freight on same, paid in Cash, $13.75. Gave my Note at 20 days in payment for goods.

" 3. Paid J. Armstrong & Co., Cash on account, $75.

" 3. Bought of J. B. Merriam, Boston, 60 prs. Boys' Stoga Boots at $1.60, $**; 24 prs. Kip Brogans at $2.25, $**; 30 prs. Children's Buff Balmorals at $1.20, $**. Total $***. Freight and drayage on same paid in Cash, $7.45. Gave in payment my Note at 30 days for $100.

" 4. Sold to D. D. Morse, St. Louis, Mo., 12 prs. Misses' Calf Balmorals at $2.25, $**; 6 prs. Kip Plow Shoes at $2, $**; 6 prs. Farmers' Kip Boots at $3.12, $**.**. Total $**.**. 10% and 5% off, $*.37. Net amount, $**.**. Received in full payment his Note at 57 days, with 8% interest added; interest, $.*5. Face of Note, $**.

Make the Day Book entry similar to those of 26th and 28th ult.

" 7. Sold to Geo. W. Simpson, on account, 4 prs. Kip Brogans at $2.65, $**.**; 2 prs. Ladies' Lasting Balmorals at $1.62, $*.**. Total $**.**.

" 8. J. Armstrong & Co. have drawn on me at sight through Commercial National Bank, and I have paid the draft, together with exchange. Face of Draft, $100; exchange, $.75. Total $***.**.

Write this entry out in full in the Day Book.

" 9. Sold to R. C. Windsor, Milwaukee, Wis., 10 prs. French Calf Pegged Boots at $3.85, $**.** ; 6 prs. Farmers' Kip Boots at $2.95, $**.**. Total $**.**. Received in part payment, Cash, $25.

" 10. Petty sales per Cash Drawer, $62.40.

" 11. Borrowed of Henry Warren, on my Note at 90 days, Cash, $175. Interest on Note at 8% added, $*.**. Face of Note, $***.**.

Write this entry out in full in the Day Book.

" 12. Bought of J. Mershon & Co., Chicago, 24 prs. Boys' Stoga Boots at $1.65, $39.60; 36 prs. Men's Thick Boots at $3.50, $126; 50 boxes Mason's Challenge Blacking at 2½¢, $1.25. Total $***.**. Gave in payment, Cash, $66.85; my Note at 10 days for $50.

" 13. Bought of Thomas Hamer, 12 prs. Custom Kip Boots at $2.60, $**.**; 24 prs. Calf Balmorals at $3.25, $**. Total $***.**. Gave in part payment my Note at 30 days for $75.

" 14. J. E. Church has accepted my Draft on him at 30 days, favor of Union National Bank, for my accommodation. I have discounted said Draft with the understanding that I am to take it up when due. Face of Draft, $1600; discount off at 7%, $10.27; net proceeds to my credit, $****.**.

Money in bank is considered as Cash.

" 15. Paid J. Armstrong & Co., on account, my Note at 40 days for $75; Cash, $80. Total $***.

" 16. Shipped to L. B. Mantonya & Co., Cincinnati, for sale, on my account and risk, 20 prs. Ladies' Lasting Balmorals at $1.20, $**; 50 prs. Ladies' Kid Sewed Balmorals at $2.50, $***; 44 prs. French Calf Pegged Boots at $3.50, $***; 80 prs. Kip Brogans at $2.35, $***. Total $***. Boxing and Drayage, paid in Cash, $4.80.

Goods shipped for sale on commission are usually invoiced at the buying price

" 17. Sold to R. A. Lambert, 7 prs. Kip Brogans at $2.50, $17.50; 3 prs. Boys' Fine Kip Boots at $2.25, $6.75; 1 pr. Farmer's Kip Boots, $4. Total $28.25. Received in part payment, Cash, $20.

19—

Sept. 18. Bought of J. B. Middleton & Co., for Cash, new set of books for office $13. 25.

" 19. Sold to R. C. Windsor, Milwaukee, Wis., 2 prs. Calf Balmorals at $4, $8; 4 prs. Kip Plow Shoes at $2.25, $9. Total $17. Received his Check to apply on account, $10.

" 20. Have drawn on L. B. Mantonya & Co., Cincinnati, favor of Union National Bank, at 10 days' sight, against consignment of the 16th inst. Face of Draft, $400; discount off 15 days at 8%, $1.33; exchange at $\frac{1}{8}$%, $.**. Proceeds of Draft carried to my credit, $***.**.

One day allowed for forwarding the Draft, and one day for the return of the money, which with 3 days of grace make 15 days.

" 22. Paid Cash for advertising in *The Times* to date, $19.50.

" 24. Paid Cash for my Note, favor D. B. Bradshaw, of the 1st inst., and interest to date. Face of Note, $***.**; interest on same at 8%, $.**. Total $***.**.

" 25. A. W. Mason has withdrawn for private use, Cash, $25.

" 25. Paid Cash for my Note of the 12th inst., favor J. Mershon & Co. Face of Note, $50; interest at 8% to date, $.**. Total $**.**.

" 25. Drew at sight on R. C. Windsor for balance of his account, $38.20, and deposited Draft in Union National Bank for my credit. The bank deducts 25¢ for cost of collection. Net proceeds to my credit, $**.**.

" 26. Sold to J. W. Lunt, 2 prs. Ladies' Lasting Balmorals at $1.80, $3.60; 2 prs. Boys' Stoga Boots at $2.30, $4.60. Total $8.20. Received in payment, Cash, $10.

" 28. Received from L. B. Mantonya & Co., Cincinnati, an Account Sales of my shipment of the 16th inst. Net proceeds, $531.50.

" 29. Sold to J. F. Warner, 6 prs. Kip Plow Shoes at $2.25, $13.50; 2 prs. Farmers' Kip Boots at $3.10, $6.20; 3 prs. Men's Thick Boots at $4, $12. Total $31.70. Received in payment my Note favor Louis Gould & Co., of the 3rd ult., on which there is an unpaid balance of $**. Interest due on same to date at 8%, $*.*0. Cash for balance, $**.**.

" 30. Received Cash of Geo. W. Simpson on account, $10.

" 30. Paid rent of store for September, in Cash, $60.

In computing interest on notes or drafts, and also in reckoning the amounts of bills of goods, add one cent where the fraction equals or exceeds half a cent. If less than half a cent, reject it.

INVENTORY OF PROPERTY UNSOLD, SEPTEMBER 30, 19—

| | | | | |
|---|---|---|---|---|
| 22 | prs. | Ladies' Lasting Balmorals, | @ $1.50 | $ **. |
| 27 | " | Ladies' Kid Sewed Balmorals, | @ 2.50 | **.** |
| 51 | " | Farmer's Kip Boots, | @ 2.75 | ***.** |
| 65 | " | Boys' Fine Kip Boots, | @ 2.00 | ***. |
| 103 | " | Boys' Stoga Boots, | @ 2.00 | ***. |
| 218 | " | Kip Plow Shoes, | @ 1.75 | ***.** |
| 288 | " | Misses' Calf Balmorals, | @ 1.60 | ***.** |
| 220 | " | Buff Oxford Shoes, | @ 2.00 | ***. |
| 144 | " | Children's Buff Balmorals, | @ 1.25 | ***. |
| 33 | " | Men's Thick Boots, | @ 3.50 | ***.** |
| 12 | " | Custom Kip Boots, | @ 2.50 | **. |
| 22 | " | Calf Balmorals, | @ 3.25 | **.** |
| 50 | boxes | Mason's Challenge Blacking, | @ 2½¢ | *.** |
| | | | | $*****.** |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $2463.72 |
| Bills Receivable on hand | 102.22 |
| Bills Payable unpaid, | 2028.62 |
| Personal Accounts owing me, | 161.39 |
| Personal Accounts I owe, | 327.70 |
| A. W. Mason's Net Capital at closing, | 2628.31 |

Business Papers required for August and September:

Note favor Louis Gould & Co. of August 3.

Bill and Note to D. D. Morse, St. Louis, of September 4.

Present all books and papers to the teacher for inspection.

## PRICE LISTS FOR AUGUST AND SEPTEMBER.

The prices given in the following Lists may be substituted for those given in the transactions if thought desirable:

| | Buying Prices for Aug. and Sept. | | | | | Selling Prices for Aug. and Sept. | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Articles. | List 1 | 2 | 3 | 4 | 5 | List 1 | 2 | 3 | 4 | 5 |
| Boys' Fine Kip Boots | $2.00 pr. | $2.25 | $2.10 | $2.20 | $2.00 | $2.25 pr. | $2.50 | $2.35 | $2.50 | $2.25 |
| Boys' Stoga Boots | 1.60 pr. | 1.40 | 1.50 | 1.60 | 1.65 | 1.80 pr. | 1.60 | 1.70 | 1.75 | 1.85 |
| Buff Oxford Shoes | 1.75 pr. | 1.60 | 1.75 | 1.85 | 1.70 | 2.00 pr. | 1.85 | 2.00 | 2.10 | 2.00 |
| Calf Balmorals | 2.75 pr. | 2.50 | 2.60 | 2.70 | 2.50 | 3.00 pr. | 2.75 | 2.80 | 2.90 | 2.60 |
| Children's Buff Balmorals | 1.00 pr. | 1.10 | 1.15 | 1.00 | 1.15 | 1.15 pr. | 1.25 | 1.30 | 1.15 | 1.25 |
| Custom Kip Boots | 2.00 pr. | 1.80 | 1.75 | 2.00 | 2.25 | 2.25 pr. | 2.00 | 2.10 | 2.25 | 2.50 |
| French Calf Pegged Boots | 3.75 pr. | 3.50 | 3.60 | 3.70 | 3.75 | 4.00 pr. | 4.25 | 4.80 | 4.00 | 4.10 |
| Farmers' Kip Boots | 2.50 pr. | 2.25 | 2.50 | 2.40 | 2.60 | 2.75 pr. | 2.50 | 2.75 | 2.70 | 3.00 |
| Kip Plow Shoes | 1.50 pr. | 1.60 | 1.40 | 1.30 | 1.50 | 1.75 pr. | 1.85 | 1.70 | 1.60 | 1.80 |
| Kip Brogans | 2.00 pr. | 2.10 | 1.80 | 1.90 | 2.10 | 2.25 pr. | 2.35 | 2.10 | 2.15 | 2.40 |
| Ladies' Lasting Balmorals | 1.50 pr. | 1.40 | 1.60 | 1.80 | 1.40 | 1.75 pr. | 1.60 | 1.80 | 2.00 | 1.75 |
| Ladies' Kid Sewed Balmorals | 2.00 pr. | 2.10 | 1.80 | 2.15 | 1.90 | 2.25 pr. | 2.35 | 2.00 | 2.40 | 2.15 |
| Men's Thick Boots | 3.00 pr. | 2.75 | 2.85 | 3.00 | 3.15 | 3.40 pr. | 3.00 | 3.00 | 3.50 | 3.50 |
| Misses' Calf Balmorals | 1.50 pr. | 1.25 | 1.30 | 1.40 | 1.60 | 1.75 pr. | 1.50 | 1.50 | 1.75 | 2.00 |
| Mason's Challenge Blacking | .02 bx. | .02 | .02 | .02½ | .02½ | .05 bx. | .05 | .05 | .05 | .05 |

### Results for August.

| | List 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $861.23 | $908.48 | $958.53 | $911.63 | $845.73 |
| Bills Receivable on hand | 45.38 | 45.48 | 47.86 | 45.38 | 47.05 |
| Bills Payable unpaid | 29.00 | 21.20 | 24.80 | 38.00 | 32.60 |
| Personal Accounts receivable | 6.55 | 6.10 | 7.25 | 8.00 | 7.50 |
| Personal Accounts payable | 385.46 | 370.55 | 390.47 | 400.78 | 397.55 |
| A. W. Mason's net capital | 2552.80 | 2555.81 | 2558.57 | 2554.08 | 2556.78 |

### Results for September.

| | List 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $2534.43 | $2603.47 | $2641.89 | $2579.56 | $2512.67 |
| Bills Receivable on hand | 86.97 | 83.69 | 86.59 | 85.92 | 92.79 |
| Bills Payable unpaid | 2028.62 | 2028.62 | 2028.62 | 2028.62 | 2028.62 |
| Personal Accounts receivable | 145.80 | 146.65 | 145 25 | 147.35 | 148.65 |
| Personal Accounts payable | 177.91 | 134.90 | 162.32 | 189.48 | 203.65 |
| A. W. Mason's net capital | 2542.47 | 2550.54 | 2588.54 | 2543.83 | 2551.09 |

## INSTRUCTIONS FOR OCTOBER AND NOVEMBER.

It has been decided to change the form of our books somewhat. We will dispense with the use of the Day Book as a separate book, and make the Day Book explanations in the Journal immediately after each Journal entry. This will make our Journal what is sometimes called a "*Journal-Day Book*" or an "*Explanatory Journal.*" The explanations should be written in a smaller hand than the Journal entry. See form of Journal on page 86.

The Day Book as a separate and distinct book is now very little used among practical book-keepers, its use being properly supplied by explanations to entries in other books.

All Cash transactions will be entered at once in the Cash Book, and will not appear in the Journal. The explanation to each entry in the Cash Book must be carefully made, since it is to serve instead of a Day Book entry. This method will make our Cash Book and Journal books of *original entry*, since the transactions are entered *first* in them.

To avoid encumbering our Journal with numerous sales (which form the majority of entries) we will introduce

### THE SALES BOOK,

in which all sales of merchandise are to be entered in detail, giving name of purchaser, articles, prices, discounts, etc. In case a purchaser should ask for a duplicate bill, it can be made out from the entry in this book. When we *buy* goods we preserve the invoice, hence no book is required for our purchases. The Sales Book will be used as an *auxiliary book*.

### TRANSACTIONS.

19—

October 1. A. W. Mason has this day admitted J. B. Campbell as a partner in the business, gains and losses to be shared as follows: A. W. Mason $\frac{2}{3}$, and J. B. Campbell $\frac{1}{3}$. J. B. Campbell invests Cash, $1500, and pays A. W. Mason $500 for one-third of the good will of the concern.

This should be entered in full in the Journal, so as to preserve a complete record of this important transaction. See form, page 86.

" 1. Sold to C. W. Marshall for Cash, 1 pr. Men's Thick Boots, $4.25.

Enter this in Sales Book as per script form on page 87. Before attempting to enter in the Cash Book, read explanations under "*The Merchandise Column*" page 88.

" 1. Petty Sales per Cash Drawer, $18.30.

" 1. Sold to W. F. Johnson, 6 prs. Men's Thick Boots at $4, $**; 2 prs. Boys' Stoga Boots at $2.20, $*.** Total $**.**. Received in part payment, Cash, $20.

Make a Journal entry for this sale, with explanation. See script form, page 86. Also enter the sale in the Sales Book. See script form, page 87. Enter the cash in the Cash Book to the credit of W. F. Johnson. See form, page 88.

" 3. Bought of J. Armstrong & Co., 30 prs. Kip Balmorals at $2, $**; 12 prs. Calf Balmorals at $2.75, $**. Total $**. Gave in payment Cash, less cash discount 3%, $**.**.

The new firm having ample cash on hand, has decided to discount all its bills, and secure the benefit of the cash discounts offered by the wholesale houses. Before attempting to enter this item in the Cash Book, read carefully "*How to Enter Cash Discounts*" on page 88.

" 4. Shipped to Thompson & White, Omaha, Neb., for sale on joint account of ourselves and themselves, each one-half: 40 prs. Boys' Fine Kip Boots at $2, $**; 25 prs. Boys' Stoga Boots at $1.80, $**; 100 prs. Kip Plow Shoes at $2, $***; 20 prs. Men's Thick Boots at $3.75, $**; 50 prs. Misses' Calf Balmorals at $1.75, $**.**. Total $487.50.

See Journal and Sales Book.

" 6. Paid Cash for our Note of the 3rd ult., favor J. B. Merriam, Boston, and interest to date. Face of Note, $100; interest at 8%, $.**. Total $***.**.

19—

October 6. Sold to Geo. W. Simpson, on account, 2 prs. Farmers' Kip Boots at $3, $*; 4 prs. Kip Balmorals at $2.50, $**. Total $**. 10% and 5% off, $*.**. Net amount $**.**.

" 7. Bought of D. B. Bradshaw, Lynn, Mass., 30 prs. Farmers' Kip Boots at $2.40, $72; 20 prs. Custom Kip Boots at $3, $60. Total $132. 10% and 5% off. Net amount $***.**. 2% off for cash in 10 days.

Enter in your Journal the net amount after taking off the trade discounts. Do not take off the cash discount until you pay the bill.

" 7. Petty sales per Cash drawer, $10.60.

" 10. Sold to R. C. Windsor, 6 prs. Boys' Stoga Boots at $2, $**; 3 prs. Children's Buff Balmorals at $1.45, $*.**; 3 prs. Buff Oxford Shoes at $2.50, $*.**. Total $**.**. Received in part payment, Cash, $20.

" 11. Borrowed at First National Bank on our Note at 60 days, $1000. Interest deducted at 8%, $**. Net proceeds received in Cash, $***

" 14. Bought of C. M. Henderson & Co., Chicago, 8 prs. Calf Balmorals at $3, $**; 6 prs. Custom Kip Boots at $2.50, $**. Total $**. 20% and 5% off, $**.**. Net amount of bill, $**.**.

" 15. Paid D. B. Bradshaw, Lynn, Mass., amount of Invoice of 7th inst. less cash discount. Invoice $112.86. Cash discount 2%, $2.25. Remitted New York draft for $110.61. Paid exchange on draft 25¢.

" 16. Paid Cash for our 30 days' Note, favor Thomas Hamer, now due. Face of Note, $75; interest to date at 8%, $.**. Total $**.**.

" 17. Paid Cash for J. E. Church's acceptance of the 14th ult., favor Union National Bank, $1600.

" 17. Cash sales to transient customers, $4.30.

" 18. Sold to W. F. Johnson, 3 prs. Farmers' Kip Boots at $3.25, $*.**; 2 prs. Boys' Fine Kip Boots at $2.50, $*. Total $14.75.

" 20. Remitted to J. B. Merriam, Boston, in full of account, New York exchange, $**; premium on Draft, 50¢. Total $**.**.

" 21. Remitted to C. M. Henderson & Co., Chicago, amount of their Invoice of the 14th less cash discount at 3%. Net amount of Invoice, $**.**. 3% cash discount, $*.**. Net cash remitted, $**.**.

" 23. Received of Geo. W. Simpson, on account, Cash, $10.

" 24. Sold to R. C. Windsor, Milwaukee, 4 prs. Calf Balmorals at $3.75, $**; 3 prs. Buff Oxford Shoes at $2.50, $*.**. Total $22.50. Received in part payment, Cash, $15.

" 26. Petty sales per Cash Drawer, $42.75.

" 28. Paid J. Armstrong & Co., Cash for our Note of the 15th ult. and interest. Face of Note, $**; interest at 8%, $.**. Total, $**.**.

" 29. Received an Account Sales from Messrs. Thompson & White, Omaha, Neb., of our shipment of the 4th inst. on joint account. Our one-half net proceeds, $284.16.

" 30. Paid J. Mershon & Co., on account, D. D. Morse's Note of the 4th ult., $**.

" 30. Received Cash of A. W. Green in payment of his Note of August 28th, $**.**.

" 30. Sold to C. E. Rogers, 3 prs. Buff Oxford Shoes at $2.50, $*.**; 5 prs. Misses' Calf Balmorals at $2, $**; 5 boxes Mason's Challenge blacking at 5¢, $.**. Total $**.**. Received in payment Cash in full.

" 30. Paid Cash for advertising in *The Sun* to date, $16.50.

" 30. Paid Rent of Store for October in Cash, $60.

October 1, 19—

| | | | | | |
|---|---|---|---|---|---|
| | | A.K. Mason has this day admitted J.B. Campbell as a partner in the business, gains and losses to be shared as follows: A.K. Mason ⅔, J.B. Campbell ⅓. J.B. Campbell invests Cash $1500 and pays Mason $500 for one third of the good will of the concern. | | | |
| " | 1 | W.F. Johnson | 28 | 40 | |
| | | To Mdse | | | 28 40 |
| | | For bill of goods as per S.B. | | | |
| " | 4 | Shipt. Thompson & White, Omaha | 487 | 50 | |
| | | To Mdse | | | 487 50 |
| | | For bill of goods per S.B. shipped them for sale on joint account themselves and ourselves each one-half. | | | |

INVENTORY OF PROPERTY UNSOLD, OCT. 31, 19—.

| | | | |
|---|---|---|---|
| 6 prs. | Men's Thick Boots, | @ $3.50 | $**. |
| 22 " | Ladies' Lasting Balmorals, | @ 1.30 | **.** |
| 27 " | Ladies' Kid Sewed Balmorals, | @ 2.50 | **.** |
| 76 " | Farmers' Kip Boots, | @ 2.75 | ***.** |
| 23 " | Boys' Fine Kip Boots, | @ 2.00 | **. |
| 70 " | Boys' Stoga Boots, | @ 1.85 | ***.** |
| 118 " | Kip Plow Shoes, | @ 1.80 | ***.** |
| 233 " | Misses' Calf Balmorals, | @ 1.65 | ***.** |
| 211 " | Buff Oxford Shoes, | @ 2.12½ | ***.*8 |
| 141 " | Children's Buff Balmorals, | @ 1.30 | ***.** |
| 38 " | Custom Kip Boots, | @ 2.75 | ***.** |
| 38 " | Calf Balmorals, | @ 3.35 | ***. |
| 26 " | Kip Balmorals, | @ 2.15 | **.** |
| 45 boxes | Mason's Challenge Blacking, | @ 2½¢ | *.*3 |
| | | | $*****.** |

October 1, 19—

| | | | | | | |
|---|---|---|---|---|---|---|
| | O. W. Marshall | Cash | | | | |
| | 1 pr. Mens Thick Boots | | | | | 4 25 |
| 1 | W. F. Johnson | on a/c | | | | |
| | 6 prs. Mens Thick Boots | @ 4 | 24 | | | |
| | 2 " Boys' Stoga Boots | 2 20 | 4 40 | | 28 | 40 |
| 4 | Shipt. Thompson & White, Omaha | | | | | |
| | 40 prs. Boys' Fine Kip Boots | @ 2 | 80 | | | |
| | 25 " Boys' Stoga Boots | 1 80 | 45 | | | |
| | 100 " Kip Plow Shoes | 2 | 200 | | | |
| | 20 " Mens Thick Boots | 3 75 | 75 | | | |
| | 50 " Misses Calf Balmorals | 1 75 | 87 | 50 | 487 | 50 |
| 6 | Geo. W. Simpson | on a/c | | | | |
| | 2 prs. Farmers Kip Boots | @ 3 | 6 | | | |
| | 4 " Kip Balmorals | 2 50 | 10 | | | |
| | | | 16 | | | |
| | 10% and 5% off | | 2 | 32 | 13 | 68 |

RESULTS.—OCT. 31, 19—

| | |
|---|---|
| Cash on hand, | $2920.07 |
| Bills Payable unpaid, | 1178.62 |
| Personal Accounts owing us, | 727.48 |
| Personal Accounts we owe, | 191.70 |
| A. W. Mason's Net Capital at closing, | 2740.23 |
| J. B. Campbell's " " " | 1555.96 |

Post the Journal and Cash Book for October to the Ledger, under the same headings as August and September; take a trial balance; close the Representative accounts, only leaving the Real accounts to run open until the end of November. Make out Balance Sheet. November will be carried under the same Ledger Headings as those for October.

Business Papers required for October:

Draft, Letter and Envelope of October 15th, using the names of any banks in the draft as desired.

Present all books and papers to the teacher for inspection.

19—

| | | | | Mdse. | | Sundries. | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| Oct. | 1 | | Balance | | | | | 2463 | 72 |
| " | 1 | J. B. Campbell, | Investment | | | 1500 | | | |
| " | 1 | Mdse., | Sale to C. W. Marshall | 4 | 25 | | | | |
| " | 1 | Mdse., | Petty Sales per C. D. | 18 | 30 | | | | |
| " | 1 | W. F. Johnson, | On account | | | 20 | | | |
| " | 7 | Mdse., | Petty Sales per C. D. | 10 | 60 | | | | |
| " | 10 | R. C. Windsor, | On account | | | 20 | | | |
| " | 11 | Bills Pay., | Note favor First Nat. Bank | | | 1000 | | | |
| " | 17 | Mdse., | Cash Sales | 4 | 30 | | | | |
| " | 23 | Geo. W. Simpson, | On account | | | 10 | | | |
| " | 24 | R. C. Windsor, | On account | | | 15 | | | |
| " | 26 | Mdse., | Petty Sales per C. D. | 42 | 75 | | | | |
| " | 30 | Bills Rec., | A. W. Green's note | | | 52 | 22 | | |
| " | 30 | Mdse., | Sale to C. E. Rogers | 17 | 75 | | | | |
| | | | Total Mdse. Cr. | | | 97 | 95 | | |
| | | | Total Receipts | | | | | 2715 | 17 |
| | | | | | | | | 5178 | 89 |

## THE MERCHANDISE COLUMN.

Wherever the nature of the business is such that frequent small cash sales are made, each of which must be entered upon the Cash Book, it is often expedient to use a separate column on the debit side of the Cash Book, called the Merchandise column, into which such items are entered. As will be seen by reference to the above form, the Merchandise column is the first money column upon the debit side, and into this are carried all cash sales of merchandise. At the end of the month in this set (or at the end of each day, if the Cash Book is closed daily), the total amount of this column is extended into the Sundries column, where it is added in with other cash receipts. This total of the Merchandise column is posted to the *credit side of that account* in the Ledger, the same as if the goods were sold to one person at one time, but do not post the several items. By the use of this column the numerous postings of small items of sales is avoided, and the Merchandise account is not encumbered with numerous small sales.

## HOW TO ENTER CASH DISCOUNTS.

The thrifty merchant "discounts his bills" by paying them before due, and thus securing the extra discount allowed by wholesale houses for prompt payment, called *Cash Discount.* (See page 70.) He keeps a "Cash Discount" account in the Ledger in order that he may know, at any time, how much he has gained by discounting his bills.

19—

| | | | | Cash Disct. | | Sundrs. | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| Oct. | 3 | Mdse., | J. Armstrong & Co., 3% | 2 | 79 | 90 | 21 | | |
| " | 6 | Bills Pay., | Favor J. B. Merriam | | | 100 | | | |
| " | 6 | Int. and Dis., | Above note | | | | 73 | | |
| " | 11 | Int. and Dis., | On note favor First Nat. Bk. | | | 14 | | | |
| " | 15 | D. B. Bradshaw, | Invoice of 7th | 2 | 25 | 110 | 61 | | |
| " | 15 | Coll. and Ex., | On New York Draft | | | | 25 | | |
| " | 16 | Bills Pay., | Favor Th. Hamer | | | 75 | | | |
| " | 16 | Int. and Dis., | On above note | | | | 55 | | |
| " | 17 | Bills Pay., | Favor Union Nat. Bank | | | 1600 | | | |
| " | 20 | J. B. Merriam, | In full of acct. | | | 86 | | | |
| " | 20 | Coll. and Ex., | On Draft | | | | 50 | | |
| " | 21 | C. M. Henderson & Co. | Invoice of 14th | | 89 | 28 | 75 | | |
| " | 28 | Bills Pay., | Favor J. Armstrong & Co. | | | 75 | | | |
| " | 28 | Int. and Dis., | On above note | | | | 72 | | |
| " | 30 | Expense, | Advertising in the *Sun* | | | 16 | 50 | | |
| " | 30 | Expense, | Rent for October | | | 60 | | | |
| | | | Total Disct. Cr. | 5 | 93 | | | | |
| | | | Total Payments | | | | | 2258 | 82 |
| | | | Balance | | | | | 2920 | 07 |
| | | | | | | | | 5178 | 89 |

There are three methods of entering cash discounts: 1. By means of a Journal entry, debiting the person or firm to whom the bill is due, and crediting Cash Discount account. 2. By entering in the Cash Book the entire amount of the bill upon the credit side, and the cash discount upon the debit side, as if the entire amount had been first paid out and the cash discount received again in return. This follows the method of entering drafts and notes discounted. 3. By using a column for cash discounts upon the credit side of the Cash Book as shown in the above form. This method is the one which seems to have the preference among practical book-keepers.

Whenever a bill is paid upon which there is a cash discount, enter the amount of such discount in the Cash Discount column, and the net amount paid in the second column. Post both of these items to the debit of the person's account separately, using the explanation, *To Cash Discount*, for the amount of such discount.

When closing the Cash Book, foot up the Cash Discount column, but *do not extend* the total into the Sundries column, as it is *not money paid out.* Post the total of the Cash Discount column to the *credit* of Cash Discount account in the Ledger. The several items in the Cash Discount column having been posted to the *debit* of the various personal accounts, when the total of this column is posted to the *credit* of Cash Discount account the equilibrium of the Ledger is restored.

19—

Nov. 1. Bought of H. D. Comstock & Co., New York, 12 prs. Custom Kip Boots, at $2.60, $31.20; 8 prs. Ladies' Lasting Balmorals at $1.12½, $9. Total $40.20. 10% off, $4.02. Net amount of Invoice, $36.18, 5% off for Cash in 10 days.

" 2. Paid Thomas Hamer in full of account, our Draft on L. B. Mantonya & Co. at sight $***.**.

" 3. Received Cash of Geo. W. Simpson, on account $5.

" 4. Sold R. C. Windsor, 3 prs. Farmers' Kip Boots at $3.15, $*.**; 2 prs. Kip Plow Shoes at $2, $*. Total $13.45.

" 5. Petty sales per Cash Drawer $21.40.

" 6. Remitted our check on the Chemical National Bank of New York in settlement of H. D. Comstock & Co's. Invoice of the 1st inst. less cash discount.

" 7. Sold to J. D. Fielding for Cash, 1 pr. Custom Kip Boots, $4.50.

" 8. Sold to D. W. Metcalf, for Cash, 1 pr. Misses' Calf Balmorals $2; 1 pr. Buff Oxford Shoes, $2.50. Total, $4.50.

" 9. Paid Cash for freight and drayage on Invoice of goods received from C. H. Fargo & Co., Chicago, $4.19.

" 9. Bought of C. H. Fargo & Co., Chicago, 8 prs. Farmers' Kip Boots at $2.50, $20; 12 prs. Calf Balmorals $3, $36; 20 prs. Kip Plow Shoes at $1.80, $36. Total $92. 12½% and 5% off.

" 10. Sold to Geo. W. Simpson, 4 prs. Kip Balmorals at $2.50, $**; 2 prs. Children's Buff Balmorals at $1.75, $*.**; 3 prs. Boys' Stoga Boots at $2.25, $*.**. Total $**.**.

" 11. Received Cash of C. H. Dexter in full of account, $*.**.

" 12. Paid Clerk hire to date $43.50.

" 12. Paid Gas bill for October $16.35.

" 13. Paid C. H. Fargo & Co. Cash for Invoice of goods received on the 9th less 2% Cash discount.

" 14. Sold to J. W. Lunt, 2 prs. Calf Balmorals at $3.75, $*.**; 4 prs. Buff Oxford Shoes at $2.50, $**; 2 prs. Farmers' Kip Boots at $3, $*; 6 prs. Men's Thick Boots at $4, $**. Total $47.50. 12½% and 5% off, $*.**. Net amount, $**.**.

" 15. Received of R. C. Windsor his check on a Milwaukee bank in settlement of his account $**.**. Our bank charged us 25¢ exchange on this check.

" 16. Petty Sales per Cash Drawer, $13.58.

" 17. Bought of Louis Gould & Co., Philadelphia, 24 prs. Ladies' Kid Sewed Balmorals, at $2.50, $60; 20 prs. Boys' Stoga Boots at $2.80, $56. Total $116. Terms 30 days or 5% Cash, 10 days.

" 18. Received Cash of J. Riley in full of account $*.**.

" 20. Remitted Louis Gould & Co., Philadelphia, New York Exchange, in settlement of their Invoice received on 17th, less Cash discount.

" 21. Received Cash of Geo. W. Simpson on account, $20.

" 21. J. B. Campbell withdraws, for private use, Cash, $50.

" 22. Sold to A. W. Dudley, 1 pr. Boys' Stoga Boots, $3.50; 2 prs. Ladies' Lasting Balmorals at $2.25, $4.50; 1 pr. Ladies' Kid Sewed Balmorals, $3. Total $11. Received in part payment, Cash, $5.

" 23. Petty sales per Cash Drawer, $18.20.

19—

Nov. 24. Paid Cash for Postage Stamps, $5.

" 25. Received of Thompson & White, their Note, dated October 16th, at 60 days, drawing 6% interest for amount of their account, $***.**. Have discounted this Note at First National Bank at 7%. Interest to Maturity, $*.**. Discount off, $*.**. Proceeds placed to our credit, $***.**.

Journalize the note first.

" 25. Bought of Armstrong & Co., 12 prs. Kip Brogans at 2.25, $27; 20 prs. Boys' Stoga Boots at $2, $40; 10 prs. Buff Oxford Shoes at $2.50, $25. Total $92. 5% off. Terms 30 days, or 2% off Cash 10 days.

" 27. On checking off the Invoice of goods received from J. Armstrong & Co., we find a shortage of 1 pr. Buff Oxford Shoes. We charge same to their account $2.50 less 5%, and notify them.

" 27. Remitted to J. Armstrong & Co., Philadelphia, Bank Draft in settlement for Invoice of goods just received, less Cash discount.

" 28. Received of R. A. Lambert, Cash in full of account $*.**.

" 29. Sold to H. C. Parker for Cash, 1 pr. Buff Oxford Shoes $2.75.

" 29. Received of A. W. Dudley in full of account, Cash $*.

" 29. Petty Sales per Cash Drawer $16.32.

" 30. Paid rent of store for November, in Cash, $60.

### Inventory of Property Unsold November 30, 19—

| | | | |
|---|---|---|---|
| 28 prs. | Ladies' Lasting Balmorals, | @ $1.20 | $**.** |
| 50 " | Ladies' Kid Sewed Balmorals, | @ 2.50 | ***. |
| 79 " | Farmers' Kip Boots, | @ 2.80 | ***.** |
| 23 " | Boys' Fine Kip Boots, | @ 2.25 | **.** |
| 106 " | Boys' Stoga Boots, | @ 2. | ***. |
| 136 " | Kip Plow Shoes, | @ 2. | ***. |
| 232 " | Misses' Calf Balmorals, | @ 2. | ***. |
| 215 " | Buff Oxford Shoes, | @ 2.10 | ***.** |
| 139 " | Children's Buff Balmorals, | @ 1.50 | ***.** |
| 39 " | Custom Kip Boots, | @ 2.75 | ***.** |
| 48 " | Calf Balmorals, | @ 3.50 | ***. |
| 22 " | Kip Balmorals, | @ 2.10 | **.** |
| 12 " | Kip Brogans, | @ 2.25 | **. |
| 45 boxes | Mason's Challenge Blacking, | @ 2½¢ | *.*3 |

## Results.

| | |
|---|---|
| Cash on hand, | $3133.25 |
| Bills Payable unpaid, | 1178.62 |
| Personal Accounts owing us, | 166.55 |
| Personal Accounts we owe, | 157.50 |
| A. W. Mason's net capital at closing, | 2811.31 |
| J. B. Campbell's " " " " | 1541.50 |

Business papers required for October and November:

Letter, envelope, and Draft of October 15. The Draft is drawn by the First National Bank of Chicago on the Park National Bank of New York.

Letter, envelope and check of November 6.

# PRICE LIST FOR OCTOBER AND NOVEMBER.

The prices given in the following Lists may be substituted for those given in the foregoing transactions if desired, in which case the results should correspond with those following these Price Lists.

The price list of the same number must be used for October and November as was used in August and September, as the business is simply a continuation. Thus, if the student has used Price List No. 1 in August and September, he cannot now adopt No. 3 as his prices for October and November. This would produce incorrect results.

Before commencing to work the months of October and November under these Price Lists the student should copy off upon a sheet of paper, the names of the articles and the buying and selling prices of the list which he expects to use, thus separating this Price List from the others and avoiding the liability of confusion and error.

| | Buying Prices for Oct. and Nov. | | | | | Selling Prices for Oct. and Nov. | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Articles. | List 1 | 2 | 3 | 4 | 5 | List 1 | 2 | 3 | 4 | 5 |
| Boys' Fine Kip Boots | $2 25 pr. | $2.50 | $2.30 | $2.40 | $2.35 | $2.60 pr. | $2.75 | $2.80 | $3.00 | $3.00 |
| Boys' Stoga Boots | 1.75 pr. | 1.80 | 2.00 | 1.85 | 1.80 | 2.25 pr. | 2.25 | 2.25 | 2.50 | 2.40 |
| Buff Oxford Shoes | 2.00 pr. | 1.90 | 2.10 | 2.15 | 2.20 | 2.50 pr. | 2.40 | 2.60 | 2.75 | 2.75 |
| Calf Balmorals | 3.00 pr. | 3.25 | 3.50 | 3.25 | 3.25 | 3.50 pr. | 3.75 | 4.00 | 4.00 | 4.00 |
| Children's Buff Balmorals | 1.25 pr. | 1.40 | 1.50 | 1.40 | 1.50 | 2.00 pr. | 2.00 | 2.00 | 2.00 | 2.00 |
| Custom Kip Boots | 2.00 pr. | 2.25 | 2.50 | 2.50 | 2.50 | 2.50 pr. | 2.75 | 3.00 | 3.00 | 3.00 |
| French Calf Pegged Boots | 4.00 pr. | 4.25 | 4.00 | 4.10 | 4.15 | 4.50 pr. | 4.75 | 4.50 | 4.60 | 4.75 |
| Farmers' Kip Boots | 2.75 pr. | 2.75 | 3.00 | 3.25 | 3.00 | 3.25 pr. | 3.25 | 3.50 | 3.75 | 3.50 |
| Kip Plow Shoes | 1.75 pr. | 1.80 | 2.00 | 2.00 | 1.75 | 2.25 pr. | 2.25 | 2.40 | 2.50 | 2.25 |
| Kip Balmorals | 2.00 pr. | 2.25 | 2.00 | 2.25 | 2.00 | 2.50 pr. | 2.50 | 2.75 | 2.75 | 2.75 |
| Kip Brogans | 2.00 pr. | 2.10 | 2.25 | 2.50 | 2.75 | 2.50 pr. | 2.60 | 2.75 | 3.00 | 3.25 |
| Ladies' Lasting Balmorals | 1.80 pr. | 2.00 | 2.00 | 2.00 | 1.85 | 2 25 pr. | 2.50 | 2.50 | 2.50 | 2.25 |
| Ladies' Kid Sewed Balmorals | 2.25 pr. | 2.30 | 2.40 | 2.50 | 2.25 | 3.00 pr. | 2.75 | 3.00 | 3.00 | 2.75 |
| Men's Thick Boots | 3.00 pr. | 3.25 | 3.50 | 3.40 | 3.25 | 3.50 pr. | 3.75 | 4.00 | 4.00 | 3.75 |
| Misses' Calf Balmorals | 1.80 pr. | 2.00 | 2.00 | 1.85 | 2.10 | 2.25 pr. | 2.50 | 2.50 | 2.35 | 2.60 |
| Mason's Challenge Blacking | .02 bx. | .02 | .02 | .02½ | .02½ | .05 bx. | .05 | .05 | .05 | .05 |

In computing interest on notes or drafts, and also in reckoning the amounts of bills of goods, add one cent when the fraction equals or exceeds five mills. If less than five mills, reject it.

## Results for October.

| | List 1. | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $3003.70 | $3063.69 | $3096.35 | $3018.17 | $2955.20 |
| Bills Payable, unpaid | 1178 62 | 1178.62 | 1178.62 | 1178.62 | 1178.62 |
| Personal Accounts, receivable | 708.43 | 737.53 | 747.48 | 743.20 | 730.24 |
| Personal Accounts payable | 73.36 | 50.75 | 71.87 | 87.08 | 82.35 |
| A. W. Mason's net capital | 2800.02 | 2940.21 | 3050.54 | 2951.60 | 2914.76 |
| J. B. Campbell's net capital | 1628.78 | 1694.84 | 1731.00 | 1703.89 | 1681.84 |

## Results for November.

| | List 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $3229.73 | $3296.67 | $3320.68 | $3244.05 | $3181.11 |
| Bills Payable, unpaid | 1178.62 | 1178.62 | 1178.62 | 1178.62 | 1178.62 |
| Personal Accounts receivable | 181.03 | 201.39 | 201.81 | 195.92 | 192.85 |
| Personal Accounts payable | 52.05 | 36.15 | 56.40 | 67.60 | 65 55 |
| A. W. Mason's net capital | 2779.31 | 2917.57 | 3028.69 | 2931.27 | 2893.21 |
| J. B. Campbell's net capital | 1568.43 | 1633 52 | 1670.08 | 1643.71 | 1621.06 |

# Correction of Errors.

OF all rules with references to errors, the best rule is to avoid them entirely; but as it often happens that, notwithstanding the greatest care has been exercised, errors will creep in, it may be well to offer a few suggestions as to the best mode of correcting them.

The student who really aspires to any proficiency in accountantship should early learn to rely on himself, and should be made to feel that he is responsible for the errors which he commits, and he alone must discover and correct them. The teacher's sphere is to instruct in the principles and mode of procedure, and when he oversteps this and attempts to perform the student's work for him, he not only does the student a positive injury by lessening his self-reliance, but at the same time multiplies the sources of future annoyance.

In searching for an error and correcting it, the student has brought to mind the principles of book-keeping and their application to each transaction. He studies the relations of the different books, and the whole subject is reviewed in his mind, so that when the error is discovered he sees how and why it occurred, and is able in future to avoid or guard against such pitfalls.

The correction of errors in books of original entry, and in books of subsequent entry, are governed by two different rules. In books of *original entry* the error must not be corrected in any manner which will impair the record, or raise a doubt as to its truthfulness. No erasures or alterations of words or figures are allowable. In books of *subsequent entry*, however, the general rule is that the error may be corrected in any manner which will not violate taste or destroy the neatness of the page. The reason of these two rules rests upon the fact that in cases of dispute, books of original entry are accepted as evidence of the truth, while any book which is a copy of another is not admissible in evidence.

Day Book.—Since this is a book of original entry, and the only kind admissible as evidence in a court of law, great care should be exercised in making corrections in it, lest we destroy or impair its credibility. Erasures and interlineations are not to be tolerated in this book, as they tend to cast suspicion upon the record. No alterations or additions to an entry, after it has been once made, is allowable in this book. If an error is discovered, it must be corrected in such a manner as to leave the original entry undisturbed and still legible in words and figures. The erroneous entry may be marked "void," "corrected page—," giving the page where the correct entry may be found; or, instead of marking it "void," we may draw light red lines through it, so as to destroy the entry without rendering it illegible, and then make a reference to the page where the corrected entry may be found. The correct entry should also contain a reference to the erroneous entry, so that no misunderstanding may ever arise. If the error is not discovered until after it is posted, it may be necessary to make another Day Book entry to correct the wrong entry in the Ledger, unless it can be rectified according to the directions given under that head.

If the error consists in the omission of an item or items, and does not invalidate the part already entered, the error may be corrected by an additional entry referring by date and page to the other part of the entry, made in such a manner as will render the entire transaction clear. The above rules or directions will apply to other books of *original entry* as well as the Day Book.

Journal.—If an error is discovered in this book before posting, which can be corrected without seriously marring the appearance of the page, the necessary erasures and corrections may be made. If such erasures would seriously damage the appearance of the book, it is better

to mark it "void," in the margin, and refer to the "corrected page," where the proper entry may be found, which should always refer back by date and page to the "void" entry. If the error is not discovered until after it has been posted, it can be corrected only by a new entry of sufficient amount to neutralize the error in the Ledger and produce the correct result; or two entries may be made—one to neutralize the error, and the other to represent the entry as it should have been made.

LEDGER.—This is the book which affords the test of an accountant's neatness. Want of taste and carelessness in this book should be severely condemned, and hence great care should be exercised in the correction of errors, not to mar or deface the general appearance of the book. If a wrong sum has been posted to a wrong account, or to a wrong side of a proper account, reduce the figures carefully to zeros and then post the entry correctly. If an entry has been duplicated, correct as above indicated instead of making a contrary entry. If an entry has been omitted, post as soon as discovered, inserting the date of posting in the date column, and placing the date of the entry in the title column directly before the column containing the post-mark. Drawing light red lines through the figures of entries in the Ledger is an acceptable method of destroying the debit or credit, if neatly done.

TRIAL BALANCE.—Errors in the Trial Balance, while a source of great annoyance to book-keepers, are subject to a few rules worth remembering. *First.* Be sure that there is an error. *Second.* If the error should be in one figure, as 10, 200, or 5,000, it is probably an error in addition. *Third.* If the error is an even number, examine the Journal or Cash Book for a sum equal to one half the error, since a posting to the wrong side always produces a discrepancy of twice the amount. The most potent rule for detecting errors in Trial Balances is checking the books, as explained on page —. Many book-keepers pursue the plan of always checking the Ledger immediately after the posting is finished and before attempting the Trial Balance, to make certain that it is in balance. This may sometimes be a useless labor, but in many other cases it saves the annoyance, disappointment and vexation of not getting the Trial Balance of the "first time." This plan also detects any error which the Trial Balance will not disclose, such as a posting to the same side of a wrong account, or two errors, one of which equalizes the other, and hence is a valuable method, and one which is commended to the young book-keeper In checking a Ledger, make the check mark with pencil, small, and upon the margin of the money column.

Having performed the above labor in the most careful manner, and added the Trial Balance with the most perfect accuracy, it may yet declare an error. In this event we must examine carefully the balances brought down from the previous month. Perhaps some balance is incorrect, or not brought down, or carried down improperly, causing the disagreement. After a Ledger is closed, the book-keeper should immediately take a trial of all balances brought down to ascertain whether they are in balance, thus avoiding the liability of any error in this particular. After the trial balance is taken off, go over the Ledger and carefully erase all check marks.

# Monthly Statements.

PROMPTLY on the first of each month the merchant sends to each of his debtors a Statement of Account, showing the dates and amounts of purchases during the past month. If bills were rendered to the customer at the time of purchase, then the statement will not contain a detailed list of the articles, but only date and total amount of the bill, "*To Mdse.*" the same as the form of statement shown herein. In case it were not customary to render bills at the time of sale, the articles and price of each must be enumerated in the Monthly Statement.

Payments made during the month, goods returned or shortages are entered upon the Statement below the purchases under the head *Cr.* or *Contra*, and these should correspond with the credit side of the customer's account in the Ledger.

The energetic book-keeper will have his Statements out and mailed to customers promptly on the first of each month. Some houses mail them on the last day of the month so that they will reach customers on the first of the following month. Promptness in presenting Statements makes their collection easier, and this is highly important in the conduct of business.

Folio 218

STATEMENT

Chicago, Sept. 1, 190—

Mr. R. C. Winslow,

In Acc't with Milwaukee, Wis.

Guthmann, Carpenter & Telling,

Manufacturers & Jobbers of

Boots and Shoes.

233 & 235 Monroe Street.

TERMS INVARIABLY
30 DAYS NET.

| | | | | | |
|---|---|---|---|---|---|
| Aug. | 1 | To Balance | 218 43 | | |
| " | 10 | To Merchandise | 14 60 | | |
| " | 12 | " " | 28 30 | | |
| " | 17 | " " | 146 15 | | |
| " | 25 | " " | 36 40 | 443 88 | |
| | | Cr. | | | |
| Aug. | 15 | By Note 30 ds | 100 | | |
| " | 15 | " Cash | 50 | | |
| " | 18 | " Mdse. | 680 | 1568 0 | |
| | | Bal. | | 2870 8 | |

*Above find Statement of your account, for which please remit if due, but do not consider this a request for payment of bills not yet matured. Should we not receive a remittance before the _____ we will draw on you for _____*

*Yours very truly,*

GUTHMANN, CARPENTER & TELLING.

## QUESTIONS FOR REVIEW.

1. How are Checks, Sight Drafts received, Money Orders and Postal Notes entered? 2. When is it proper to balance and rule up personal accounts? 3. What should be the character of the language of a Day Book entry? 4. Why is this book admissible as evidence in a court of justice? 5. How do you abbreviate the entry in the case of purchases and sales? 6. How should entries be made which cannot be readily abbreviated? 7. To what book or books are the entries carried from the Cash Book in Retail? 8. Wherein does the Cash Book differ from the Cash account in the Ledger? 9. What entries are placed on the Dr. side? 10. What entries are placed on the Cr. side, and how? 11. How should the entry be made in case a Note or Draft is discounted? 12. To what other book besides the Cash Book are the entries from the Day Book transferred? 13. How is the Journal entry made in case of a purchase or sale when only part is paid? 14. What is the object sought in first making the entry as if nothing had been paid, and then entering the payment? 15. If a statement is rendered to a customer what should it show? 16. As the entries are carried from the Day Book to the Journal or Cash Book how is such transfer indicated in the Day Book? 17. When the entries in the Journal and Cash Book are posted to the Ledger, what record of such transfer is made? 18. What record does the Cash Book contain? 19. Of how many parts may each entry in the Cash Book be said to consist? 20. What is the first part? 21. What is the second? 22. What is the third part, how should it be expressed, and how written? 23. Where should all explanations in a Cash Book begin? 24. What is the fourth part, and where should it be placed? 25. Where are items found on the Dr. side of the Cash Book posted, and how? 26. Where are the items on the Cr. side of the Cash Book posted, and how? 27. Where are the total receipts posted, and how? 28. Where are the total payments posted, and how? 29. How often is it customary to close the Cash Book, where considerable cash is handled? 30. What should the balance of the Cash Book agree with? 31. In closing, where are the total receipts and total payments placed in the Cash Book? 32. How is the balance entered? 33. How is it brought down, and where is it placed? 34. Why? 35. What is the nature of the ruling in the Cash Book? 36. What of the necessity for care in keeping the Cash Book? 37. What is the object of making explanations to entries in the Journal? 38. How should such explanations be written? 39. What does the Journal become if kept in this manner, and entries are first made in it? 40. What is the object of keeping a Sales Book in this set? 41. What is entered in the Sales Book? 42. Is the Sales Book in this set a book of original entry? 43. Why? 44. Is it a principal book? 45. Why? 46. What is the object of the Merchandise column in the Cash Book? 47. Where is the total of this column posted? 48. What is the use of the Cash Discount column in the Cash Book? 49. In how many ways may Cash discounts be entered in business? 50. Give them. 51. How is the entry made where a Cash Discount column is used as in this set? 52. Where is the total of the Cash Discount column posted? 53. Why? 54. Is the total of the Cash Discount column extended into the Sundries column, the same as Merchandise column? 55. Why? 56. What is the general rule in regard to the correction of errors in books of original entry? 57. What is the general rule in regard to the correction of errors in books of subsequent entry? 58. Give the reasons upon which the two foregoing rules are based. 59. Why is it advisable to check the Ledger before attempting to take the Trial Balance?

# RETAIL.

ADAPTED TO

## GROCERY STORES, MARKETS, AND SHOPS.

### SINGLE ENTRY.

N account of its simplicity, Single Entry book-keeping is commonly used by small tradesmen and retailers. Its object is to keep accounts with persons with whom we have dealings in such a manner as to readily show what they owe us, or we owe them, and hence only personal accounts are opened in the Ledger. The distinguishing feature between Single and Double Entry consists in the fact that in the former each transaction does not always produce both a debit and a credit of equal amount in the Ledger, while in the latter it does. Hence in Single Entry we cannot make use of that valuable test, the Trial Balance, nor can we obtain from our books sufficient facts to make up that important statement, the Balance Sheet.

### ORDER BOOK.

This is a small book of long and narrow proportions, made of cheap material, and known by some dealers as the "counter book," into which the orders are entered as they are received. If the goods are paid for at the time they are ordered, the entry is marked "*Paid*" in the margin; otherwise it is posted to the person's account in the Ledger at the close of the day. As the articles are "put up" for delivery they are checked off in the margin of the Order Book. Where the business is large, several Order Books are necessary in order that the book-keeper may be accommodated, and the order books are numbered 1, 2, 3, etc., and used alternately by the book-keeper and salesmen. Where it is customary for the salesman to visit his customers and receive their orders at their homes, he carries an Order Book with him for the purpose.

This Order Book is a book of original entry for sales of merchandise, and might properly be considered a Sales Book.

Transactions other than the sale of goods are entered in the

### DAY BOOK.

The Single Entry Day Book differs in no important respect from that used in Double Entry, the chief distinction being in the use of Dr. and Cr., to indicate whether a person is to be charged or credited. All transactions in which personal accounts are not involved may, or may not, be entered in this book, according to discretion. In the following set such transactions are *not* entered in the Day Book. Entries in this book are posted directly to the Ledger, dispensing entirely with the use of the Journal. The

### CASH BOOK

is the same as used in Double Entry, but is kept only as an auxiliary book, and is not posted from, its object being to keep convenient account of the Cash received and paid out, and the balance on hand.

## LEDGER.

In the retail trade, where a credit business is carried on, unless the "pass book" system is used, it is necessary at stated intervals, usually on the first of each month, to render to customers an itemized statement of the purchases made during the month, with the credits or payments, if any, thereon. In order to do this with facility and avoid having to refer back to the book of original entry (in this case the Order Book) for the items, it is essential that the sales should be itemized in the Ledger; and since the ordinary Ledger affords insufficient space for this purpose, a more suitable one consists of the journal ruling in which the left hand column is considered the debit and the right hand the credit. By reference to the illustration on page 100 of the Ledger page herein explained, it will be seen how readily a statement of account may be made up without reference to any other book. The folio of the Order Book or Day Book may be entered in the folio column of the Ledger, and the page of the Ledger entered in the Order Book or Day Book, as a convenience in case of reference.

The left hand column is the debit column and the right hand column is the credit. Thus, when goods are sold they are charged to the customer by entering them in the first or left hand column. Goods returned, cash paid, etc., are credited to the customer's account by entering in the right hand column. When the account balances it is ruled up in the usual manner.

## ORDER BOOK.

October 2, 19—

| | | | | | |
|---|---|---|---|---|---|
| | John F. Brooks, 187 Warren Ave. | | | | |
| ✓ | 1 brl. W. W. Flour, | | 6. | | |
| ✓ | 10 lbs. C. Meal, | .3 | .30 | | |
| ✓ | 4 gals. M. Molasses, | .75 | 3. | 9 | 30 |
| | John Baldwin, 360 Centre St. | | | | |
| ✓ | 4 lbs. Gran. Sugar, | .13 | .52 | | |
| ✓ | 6 " Raisins, | .23 | 1.38 | | |
| ✓ | 8 " Butter, | .30 | 2.40 | 4 | 30 |
| | Mrs. James W. Haines, 25 Cornell Ave. | | | | |
| ✓ | 2 pk. Apples, | .45 | .90 | | |
| ✓ | 2 bu. Potatoes, | .75 | 1.50 | | |
| ✓ | 2 gals. C. Vinegar, | .42 | .84 | | |
| ✓ | 5 lbs. C. Fish, | .8 | .40 | 3 | 64 |
| | S. G. Olmstead 187 Madison Ave. | | | | |
| ✓ | 2 lbs. Butter, | .30 | .60 | | |
| ✓ | 3 " D. Apples, | .9 | .27 | | |
| ✓ | 5 " Lard, | .14 | .70 | | |
| ✓ | 2 doz. Eggs, | .18 | .36 | | |
| ✓ | 8 lbs. Cheese, | .25 | 2. | | |
| ✓ | 2 sks. T. Salt, | .10 | .20 | | |
| ✓ | 8 lbs. A. C. Sugar, | .12[2] | 1. | | |
| ✓ | 2 " J. Tea, | .62 | 1.24 | | |
| ✓ | 2 " Soda, | .8 | .16 | 6 | 53 |
| | October 3, 19— | | | | |
| | Mrs. G. W. Hughes, 45 Willow St. | | | | |
| ✓ | 6 lbs. Butter, | .35 | 2.10 | | |
| ✓ | ½ bu. Onions, | 1.50 | .75 | | |
| ✓ | 4 Cabbages, | .15 | .60 | | |
| ✓ | 3 lbs. Honey, | .35 | 1.05 | 4 | 50 |
| | John F. Brooks, 187 Warren Ave. | | | | |
| ✓ | ¼ bu. Beans, | 2. | .50 | | |
| ✓ | ¼ " Peas, | 3. | .75 | | |
| ✓ | 1 qt. Oysters, | | .40 | | |
| ✓ | 3 lbs. Prunes, | .10 | .30 | 1 | 95 |
| | S. G. Olmstead, 187 Madison Ave. | | | | |
| ✓ | 3 lbs. O. G. Java Coffee, | .30 | .90 | | |
| ✓ | 2 doz. Eggs, | .20 | .40 | | |
| ✓ | 8 lbs. M. Sugar, | .24 | 1.92 | | |
| ✓ | 2 Chickens 14 lbs., | .20 | 2.80 | 6 | 02 |

# INSTRUCTIONS.

Enter and post the following transactions according to the foregoing instructions. Close the Cash Book at the end of each week. At the close of the month the books should exhibit the same as given under the head of Results:

## LEDGER HEADINGS.

The following accounts should each have one-half page: (Student), Marshall Fuller, James C. Anderson, David Haskell, Andrew Bailey, Franklin MacVeagh & Co., Chicago. The following accounts should each have an entire page. John F. Brooks, 187 Warren Ave.; John Baldwin, 360 Centre St.; Mrs. James W. Haines, 25 Cornell Ave.; S. G. Olmstead, 187 Madison Ave.; Mrs. G. W. Hughes, 45 Willow St.; Mrs. Geo. C. Lewis, 317 Fulton St.; Mrs W. N. Jewett, 185 Ohio St.; Mrs. H. C. Dement, 164 Taylor St.; L. B. Pierce, 243 Hammond St.; Mrs. H. W. Simpson, 180 North Fifth St.; Mrs. Henry W. Seymour, 446 Greenwood St.

## TRANSACTIONS.

19—

Oct. 1. I have this day commenced the Retail Grocery business with a Cash Capital of $3000. D. B., C. B and L.

Bought of Marshall Fuller, his entire stock of Groceries and Provisions, including Fixtures, for $2000. I have paid him Cash, $1500; balance on account. Also rented his store and paid Cash for one month's rent in advance, $41.67. D. B., C. B. and L.

Bought for Cash, Horse, Harness and Wagon, $240. C. B.

" 2. Sales on credit this day are: John F. Brooks, 187 Warren Ave., 1 brl. W. W. Flour, $6; 10 lbs. Corn Meal @ 3¢; 4 gals. M. Molasses @ 75¢. John Baldwin, 360 Centre St., 4 lbs. Gran. Sugar @ 13¢; 6 lbs. Raisins @ 23¢; 8 lbs. Butter @ 30¢. Mrs. James W. Haines, 25 Cornell Ave., 2 pks. Apples @ 45¢; 2 bu. Potatoes @ 75¢; 2 gals. C. Vinegar @ 42¢, 5 lbs. C. Fish @ 8¢. S. G. Olmstead, 187 Madison Ave., 2 lbs. Butter @ 30¢; 3 lbs. Dried Apples @ 9¢; 5 lbs. Lard @ 14¢: 2 doz. Eggs @ 18¢; 8 lbs. Cheese @ 25¢; 2 sacks Table Salt @ 10¢; 8 lbs. A. C. Sugar @ 12½¢; 2 lbs. J. Tea @ 62¢; 2 lbs. Soda @ 8¢. O. B. and L.

Cash sales this day per Cash Drawer, $34.21. C. B.

" 3. Paid Wm. G. Wood, Cash for Insurance on Stock amounting to $1500 at 1½%, $***.**. Also paid Cash for repairing shelves, $8.50. C. B.

Bought of Robert Finlay & Co., City, an invoice of Groceries, Canned Goods and Provisions, $314.70. 5% off. Terms, 30 days, or 2½% off for Cash. Paid Cash in full for same, $***.**. C. B.

Sales per Order Book: Mrs. G. W. Hughes, 45 Willow St., 6 lbs. Butter @ 35¢; ½ bu. Onions @ $1.50; 4 Cabbages @ 15¢; 3 lbs. Honey @ 35¢. John F. Brooks, 187 Warren Ave., ¼ bu. Beans @ $2; ¼ bu. Peas @ $3; 1 qt. Oysters @ 40¢; 3 lbs. Prunes @ 10¢. S. G. Olmstead, 187 Madison Ave., 3 lbs. O. G. Java Coffee @ 30¢; 2 doz. Eggs @ 20¢; 8 lbs. Maple Sugar @ 24¢; 2 Chickens, 14 lbs., @ 20¢. Mrs. Geo. C. Lewis, 317 Fulton St., 3 lbs. T. Prunes @ 15¢; 2 gals. K. Oil @ 18¢; 10 Oatmeal @ 4¢; 1 box Smyrna Figs, 50¢. O. B. and L.

Cash sales this day per Cash Drawer, $26.45. C. B.

" 4. Bought of James C. Anderson, 1 ton Prairie Hay, $9; 40 bu. Oats @ 35¢. Sold him 10 lbs. Rice @ 10¢; 1 sack P. Flour, $3; 10 lbs. Mocha Coffee @ 25¢; balance on account. D. B., O B. and L.

Paid Cash for freight on new goods received, $7.95. C. B.

I have withdrawn for private use, Cash, $10, and appropriated goods from store amounting to $8.60. D. B., C. B. and L.

19—

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Oct. | 1 | | (Student) Cr.<br>By Cash, invested in business | | | | 3000 | |
| " | 1 | | Marshall Fuller Cr.<br>By Stock Groceries and Provisions | | 2000 | | | |
| | | | " Rent of Store to Nov. 1st, one mo. | | 41 | 67 | 2041 | 67 |
| | | | Dr.<br>To Cash | | 1541 | 67 | | |
| " | 4 | | James C. Anderson Cr.<br>By 1 ton Prairie Hay | | 9 | | | |
| | | | " 40 bu. Oats .35 | | 14 | | 23 | |

## LEDGER.

(.....Student.....)

19— Dr. Cr.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Oct. | 1 | | By Cash investment | | | | 3000 | |

MARSHALL FULLER.

19— Dr. Cr.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Oct. | 1 | | By Stock Groceries and Provisions | | | | 2000 | |
| | | | " Rent of Store for Oct. | | | | 41 | 67 |
| | | | To Cash | | 1541 | 67 | | |

JOHN F. BROOKS, 187 Warren Ave.

19— Dr. Cr.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Oct. | 2 | | 1 brl. W. W. Flour 6. 10 lbs. C. Meal .03 .30<br>4 gals. Molasses .75 3 | | 9 | 30 | | |
| " | 3 | | ¼ bu. Beans, 2. .50 ¼ bu. Peas 3. .75 1 qt.<br>Oysters .40 3 lbs. Prunes .10 .30 | | 1 | 95 | | |
| " | 4 | | 5 lbs. Coffee .33 1.65 3 lbs. B. Tea, .80 2.40 2 gals.<br>K. Oil .20 .40 1 Broom .25 Nutmegs .25 | | 4 | 95 | | |
| " | 5 | | 4 lbs. Coffee returned .33<br>Cash | | | | 1<br>5 | 32 |
| " | 6 | | Cash | | | | 9 | 88 |
| | | | | | 16 | 20 | 16 | 20 |

19—

Oct. 4. Sales per Order Book: John Baldwin, 360 Centre St., 2 ozs. Indigo @ 15¢; 1 lb. Borax, 60¢; 2 pkgs. S. G. Starch @ 20¢; 1 box Yeast Powder, 25¢; 4 lbs. Cheese @ 18¢; Mrs. W. N. Jewett, 185 Ohio St., 15 lbs. A Coffee Sugar @ 12¢; 1 lb. Cream Tartar, 60¢; 4 lbs. Soda Crackers @ 10¢; 5 lbs. Picnic Crackers @ 11¢. Mrs. H. C. Dement, 164 Taylor St., 2 lbs. Chocolate @ 37½¢; 1 lb. Cocoa, 40¢; 4 doz. Nutmegs @ 10¢; 2 lbs. S. Crackers @ 10¢. L. B. Pierce, 243 Hammond St., ¼ lb. Cinnamon @ 80¢; 2 qts. Oysters @ 37½¢; 10 lbs. S. Potatoes @ 5¢; 5 lbs. Y. H. Tea @ 40¢; 10 lbs. A. Sugar @ 10¢; John F. Brooks, 187 Warren Ave., 5 lbs. J. Coffee @ 33¢; 3 lbs. B. Tea @ 80¢; 2 gals. K. Oil @ 20¢; 1 Broom, 25¢; 1 doz. Nutmegs, 25¢.

" 5. John F. Brooks, 187 Warren Ave., has returned 4 lbs. J. Coffee @ 33¢; also paid Cash on his account, $5. D. B., C. B. and L.

Cash sales this day per Cash Drawer, $34.89. C. B.

" 6. Bought of farmers this day: Vegetables, Poultry, etc., amounting to $17.45. Paid them goods from store, $4.20; balance in Cash, $13.25. C. B.

Where produce of goods purchased are paid for in Merchandise, make no entry, as the goods bought go to replace those given in payment.

Bought for Cash, 1 ton Coal for store, $7.50. C. B.

Sales per Order Book: Mrs. James W. Haines, 25 Cornell Ave., 2 lbs. J. Tea @ 80¢; 5 lbs. O. G. Java Coffee @ 30¢; 10 lbs. Lard @ 10¢; 1 pk. Cracked Corn, 40¢; 15 lbs. Turkey @ 14¢; 1 bu. E. R. Potatoes, 85¢; Mrs. H. W. Simpson, 180 North Fifth St., 3 pks. Apples @ 35¢; 12 lbs. Rice @ 10¢; 2 ozs. Indigo @ 12¢. 3 lbs. Chocolate @ 35¢; 2 gals. K. Oil @ 18¢. Mrs. G. W. Hughes, 45 Willow St., 2 lbs. Cream Tartar @ 45¢; 5 lbs. Oatmeal @ 5¢; 1 Chicken, 6 lbs., @ 15¢; ¼ bu. S. Potatoes @ $3; 2 gals. N. O. Molasses @ 60¢. Mrs Henry W. Seymour, 446 Greenwood St., 4 lbs. Butter @ 30¢; 2 Cabbages @ 20¢; 8 lbs. Honey @ 45¢; 20 lbs. Maple Sugar @ 25¢.

Credit David Haskell for Drayage on goods, $1.75. D. B. and L.

Paid C. H. Wilson, Clerk, Cash for wages for the week, $10; also David A. Brown, Clerk, salary to date, $9. C. B.

Cash received from sales per Cash Drawer, $42.60. John F. Brooks has settled his account in full with Cash, $*.**. D. B., C. B. and L.

Rule and foot up Brook's account at once.

Close the Cash Book, the balance of which should be $991.17.

" 8. Bought of Andrew Bailey, on account, 3 chairs for store @ 75¢. D. B. and L.

Received invoice of Groceries from Gray, Kingman & Collins, $193.60, terms, 10 days or 2% off for Cash. Paid Cash for same. C. B.

Paid Cash for Shoeing Horse, $2.50. C. B.

Received Cash from S. G. Olmstead on account, $10; from John Baldwin, $6. D. B., C. B. and L.

" 9. Bought of Mrs. Cosgrove, 18 lbs. C Butter @ 25¢, $4.50. Paid for same in Cash from Cash Drawer.

Make no entry. The Cash in the Cash Drawer has not yet been entered upon the Cash Book, and hence no entry is necessary. The Merchandise bought goes to replace that which was sold, for which the Cash was received.

Cash sales for the day per Cash Drawer, $52.80.

" 10. Andrew Bailey has repaired Show Cases, for which I credit him $3.75. Drew for private use, Cash, $8; appropriated goods, $7.50.

19—

Oct. 10. Sales per Order Book: John F. Brooks, 187 Warren Ave., 3 doz. Eggs @ 22¢; 2 qts. Oysters @ 30¢; 1 Lem. Ext., 25¢; 10 lbs. B. Sugar @ 9¢; 4 lbs. Raisins @ 15¢. Mrs. Geo. C. Lewis, 317 Fulton St., 10 lbs. A. Sugar @ 12½¢; 5 lbs. Soda Crackers @ 9¢; 5 lbs. C. Fish @ 11¢; 2 lbs. Y. H. Tea @ 40¢. Mrs. W. N. Jewett, 185 Ohio St., 1 brl. Apples, $3; 2 Brooms @ 25¢; 1 W. Tub, $1.20; 1 box Pepper, 20¢; 4 lbs. Lard at 10¢. Mrs. H. C. Dement, 164 Taylor St., 1 bag Salt, 10¢; 2 cans Pears @ 40¢; 10 lbs. Chicken @ 16¢; 2 doz. Eggs @ 25¢; 3 bars P. & G. Soap @ 10¢.

Cash sales per Cash Drawer, $38.50.

The following amounts were paid on account this day: Mrs. James W. Haines, $8; Mrs. G. W. Hughes, $5.

" 11. Cash sales for this day, $41.30.

" 12. Bought invoice of Oil from Standard Oil Co., $176.40. Gave my Note for same due in 30 days.

Make no entry.

" 13. Bought a Horse for use of store, $110; also Harness, $20. Paid for same in Cash.

Paid clerks in full for salaries to date, $19.

Cash balance, $803.54.

" 15 Bought of farmers, 1 brl. Sweet Cider, Fruit, Poultry, etc., amounting to $39.80. Gave in payment goods amounting to $11.75; Cash for balance, $***.**.

Sales per Order Book: L. B. Pierce, 243 Hammond St., 5 lbs. C. Fish @ 9¢; 10 lbs. Mackerel @ 7¢; 3 lbs. Raisins @ 15¢; 2 W. Pails @ 30¢. Andrew Bailey, ⅛ brl. Flour, 75¢; 10 lbs. B. Sugar @ 12¢; 1 Basket, 25¢; 1 pk. Onions, 40¢; 2 bu. Potatoes @ 80¢. Mrs. H. W. Simpson, 180 North Fifth St., 1 pk. S. Potatoes, 50¢; 3 doz. Eggs @ 20¢; 2 lbs. Jap. Tea @ 65¢; 8 lbs. G. Sugar @ 11¢; 1 Lem. Ext., 30¢. Mrs. Henry W. Seymour, 446 Greenwood St., 2 Brooms @ 30¢; 3 bu. Potatoes @ 80¢; 5½ lbs. Chicken @ 16¢; 4 lbs. Crackers @ 10¢; 2 pks. Apples @ 50¢.

Cash sales, $39.60.

Payments on account: Mrs. H. C. Dement, $5.05; Mrs. George C. Lewis, $3; Mrs. W. N. Jewett, $4. Mrs. James W. Haines returns 9 lbs. Lard at 10¢.

" 16. Drew for private use, Cash, $12, and appropriated $4 in goods.

Paid Cash for repairs in cellar, $3.50; varnishing counters, $1.75; new pair scales, $8.50.

Cash sales, $47.85.

" 17. Paid Cash for envelopes, bill heads and letter heads, $8.50; postage stamps, $2.

Sales per Order Book: James C. Anderson, 10 lbs. B. Sugar @ 9½¢; 3 doz. Eggs @ 20¢; 2 W. Tubs @ 80¢; 1 brl. Apples, $2.50. Mrs. Geo. C. Lewis, 317 Fulton St., 2 lbs. Rio Coffee @ 28¢; 1 brl. W. W. Flour, $5.25; 2 bu. E. R. Potatoes @ 80¢; 5 lbs. Chicken @ 12¢; 3 qts. Oysters @ 30¢; 2 lbs. Soda Crackers @ 11¢. Mrs. H. C. Dement, 164 Taylor St., 6 lbs. Mackerel @ 8¢; 3 qts. Oysters @ 32¢; 1 brl. Apples, $2.50; 3 lbs. Raisins @ 15¢; 4 bu. potatoes @ 60¢; 2 lbs. Java Coffee @ 36¢; 1 box Kirk's Soap, $3.85; 2 cans Sardines @ 18¢. Mrs. W. N. Jewett, 185 Ohio St., 2 Brooms at 28¢; 2 doz. Eggs @ 25¢; 10 lbs. G. Sugar @ 10½¢; 3 gals. K. Oil @ 18¢; 5 lbs. C. Fish @ 8¢; 4 lbs. Soda Crackers @ 9¢; 4 bu. Potatoes @ 75¢; 3 lbs. Raisins @ 15¢; 2 lbs. Jap. Tea @ 50¢; 2 cans Peas @ 30¢; 1 lb. Chocolate, 35¢. Mrs. G. W. Hughes, 45 Willow St., 1 brl. Apples, $3; 10 bars P. & G. Soap @ 8¢; 2 qts. Oysters @ 40¢; 3 doz. Eggs @ 25¢; 2 lbs. Butter @ 30¢; 3 gals. S. D. Syrup @ 70¢; 1 W. Pail, 30¢; 1 Basket, 25¢; 1 box Pepper, 20¢.

Cash sales per Cash Drawer, $45.80.

19—

Oct. 18. Bought of Thomas Mason & Co., on my Note at 30 days, invoice of goods amounting to $218.

Bought of farmer, produce, consisting of Butter, Eggs, Lard, etc., amounting to $18.60. Paid him goods amounting to $4.50; Cash from the Cash Drawer, $4.10; Cash from the Safe, $10.

Cash in Safe or Cash deposited in the Bank differs from Cash in the Cash Drawer, as the former has been entered in our Cash Book, while the latter has not.

" 19. Cash Sales for the day per Cash Drawer, $45.60.

" 20. Paid Cash for Clerk hire to date, $19. Withdrew Cash for private use, $10; also appropriated goods amounting to $8.40.

Cash sales for the day, as shown by the Cash Drawer, $46.40, of which I find a $2 bill to be counterfeit.

Balance of Cash, $935.54.

" 22. Order Book: John F. Brooks, 187 Warren Ave., 2 pks. S. Potatoes @ 50¢; 2 bags T. Salt, 25¢; 5 lbs. T. Raisins @ 13¢; 1 brl. Apples, $2.50; 1 lb. Jap. Tea, 50¢; 1 Lem. Ext., 30¢; 1 box P. & G. Soap, $3.85. James C. Anderson, 2 qts. Oysters @ 40¢; 8 lbs. C. Fish @ 9¢; 2 bu. potatoes @ 80¢; 6 lbs. Soda Crackers @ 12¢; 2 gals. K. Oil @ 18¢; 8 lbs. B. Sugar @ 9¢. S. G. Olmstead, 187 Madison Ave., 10 lbs. G. Sugar @ 12¢; 5 gals. K. Oil @ 18¢; 4 lbs. C. Fish @ 8¢; 6 lbs. S. Crackers @ 10¢; 3 lbs. T. Raisins at 12¢; 2 bu. Potatoes @ 80¢; 1 brl. Flour, $5.50. Mrs. James W. Haines, 25 Cornell Ave., 8 lbs. Mackerel @ 9¢; 2 W. Pails @ 25¢; 8 lbs. Chickens @ 12¢; 10 lbs. G. Sugar @ 11¢; 2 Brooms @ 20¢; 3 doz. Eggs @ 15¢; 3 lbs. Butter @ 25¢. David Haskell, 2 lbs. Butter @ 28¢; 5 lbs. C. Sugar @ 8¢; 2 doz. Eggs @ 18¢; 1 gal. K. Oil, 18¢.

Received invoice of Sugar, Coffee, Tea and Canned Goods from Franklin MacVeagh & Co., Chicago, $187.50. Terms, 30 days, or 5% off 10 days. Paid freight and drayage on same in Cash, $11.30.

" 23. Received the following payments on account: Mrs. W. N. Jewett, $10; L. B. Pierce, $5; John F. Brooks, $5. Mrs. James W. Haines returns 3 doz. Eggs @ 15¢, and settles her account in full by paying Cash, $*.**.

" 24. Paid Cash for advertising in the *Evening Star*, $8.50.

Paid Cash to Carpenter for repairing and putting up additional shelving, $4.60; Lumber for same, $1.80.

" 25. On examining the goods received from Franklin MacVeagh & Co., Chicago, I find a shortage of 10 gross Matches @ $2.70, which I charge to their account.

" 26. Paid Cash for new Harness, $27.50.

Paid Marshall Fuller on account, Cash, $100.

Cash sales per Cash Drawer, $32.80.

" 27. Order Book: John Baldwin, 360 Centre St., 3 doz. Eggs @ 18¢; 3 qts. Oysters @ 30¢; 8 lbs. P. Crackers @ 10¢; 2 pks. S. Potatoes @ 60¢; 2 Brooms @ 20¢; 3 bu. Potatoes @ 80¢; 8 lbs. Turkey @ 15¢; 2 gals. Cider @ 40¢; 3 lbs. J. Coffee @ 30¢. Mrs. Henry W. Seymour, 446 Greenwood St., 10 lbs. B. Sugar @ 9¢; 5 bu. Potatoes @ 80¢; 6 lbs. Raisins @ 13¢; 2 lbs. Y. H. Tea @ 39¢; 10 lbs. A. C. Sugar @ 9½¢; 2 gals. N. O. Molasses @ 60¢; 2 F. Dusters @ $1.30; 1 Mouse Trap, 50¢. L. B. Pierce, 243 Hammond St., 3 doz. Eggs @ 20¢; 10 lbs. Gran. Sugar @ 10½¢; 5 lbs. S. Crackers @ 9¢; 2 lbs. Java Coffee @ 35¢; 2 gals. N. O. Molasses @ 60¢; ½ brl. Apples @ $3.60; 2 boxes Washing Crystal @ 15¢; 3 L. Wicks @ 2¢; 2 bottles Bluing @ 5¢. Mrs. H. W. Simpson, 180 North Fifth St., 10 lbs. B. Sugar @ 9¢; 5 bu. Potatoes @ 80¢; 8 lbs. Butter @ 25¢; 8 lbs. A. C. Sugar @ 9½¢; 2 lbs. Jap. Tea @ 40¢; 8 lbs. Turkey @ 18¢; 2 gals. K. Oil @ 18¢; 3 lbs. Mackerel @ 8¢; 2 Brooms @ 25¢.

19—

Oct. 27. Cash sales per Cash Drawer, $29.60.

Drew Cash for private use, $12, and appropriated goods from stock, $8.60.

Paid Clerks for services to date in full, $19.

Payments on account have been made by Mr. H. W. Simpson, $5; Mrs. Geo. C. Lewis, $5.

Cash balance per Cash Book, $849.86.

" 29. Order Book: John Baldwin, 360 Centre St., 2 lbs. Mixed Nuts @ 20¢; 1 box C. Figs, 25¢; 2 doz. Lemons @ 25¢; 2 cans Peaches @ 30¢; 8 lbs. Raisins @ 10¢; 3 doz. Eggs @ 18¢: 2 boxes Sardines @ 18¢. David Haskell, 1 bu. Turnips, 85¢; 2 Cabbages @ 25¢; 1 lb. J. Coffee, 25¢; 1 can C. Milk, 75¢; 5 lbs. D. Peaches @ 40¢.

" 29. Mrs. H. C. Dement, 164 Taylor St., 3 lbs. C. Fish @ 10¢; 1 Lem. Ext., 25¢; 10 lbs. B. W. Flour @ 5¢; 5 lbs. D. Beef @ 20¢; 1 W. Pail, 25¢; 2 F. Dusters @ $1.25. Mrs. Henry W. Seymour, 446 Greenwood St., 8 lbs. Chicken @ 10¢; 5 lbs. B. Sugar @ 9¢; 1 cake Chocolate, 1 lb., 25¢; 2 qts. Oysters @ 30¢; 5 lbs. S. Crackers @ 8¢; 1 Broom, 30¢; 1 lb. Jap Tea, 50¢; 1 brl. W. W. Flour, $6.

" 29. Cash sales per Cash Drawer, $49.10.

" 30. Paid Franklin MacVeagh & Co., Chicago, Cash for balance of invoice, less 5% discount. Balance of invoice, $***.**; Cash discount, 5%, $*.*3. Paid them $***.**.

Cash sales per Cash Drawer, $38.60.

Paid Cash for postage stamps, $2.50.

" 31. Bought for Cash a Coal Hod & Shovel for use of store, $1.30; a Whip, 40¢; and paid for shoeing horses, $2.50.

Order Book: Mrs. Henry W. Seymour, 446 Greenwood St., 1 brl. W. W. Flour, $5.25; 2 brls. Apples @ $2.75; 1 bu. Turnips, $1.25; 1 box Kirk's Soap, $4.10; 2 cans Tomatoes at @ 15¢; 1 bu. Onions, 75¢. L. B. Pierce, 243 Hammond St., 6 lbs. Chickens @ 10¢; 5 lbs. G. Sugar @ 10½¢; 1 Lem. Extract, 25¢; 2 doz. Oranges @ 25¢; 1 box C. Figs, 25¢. Mrs. Geo. C. Lewis, 317 Fulton St., 2 pks. S. Potatoes @ 50¢; 2 qts. Oysters @ 30¢; 10 lbs. Rice @ 5¢; 2 lbs. Java Coffee @ 20¢; 8 lbs. S. Crackers @ 9¢; 6 lbs. Mackerel @ 8½¢.

Payments on account: Mrs. Henry W. Seymour, $20; L. B. Pierce, $5; David Haskell, $4.10.

Having determined to change my books to Double Entry, I find at the close of one month the following

## RESULTS.

| | |
|---|---|
| Cash on hand per Cash Book, | $807.49 |
| Personal Accounts owing me, | 127.31 |
| Personal Accounts I owe, | 407.73 |
| Bills Payable outstanding, | 394.40 |
| (Student's) Net Investment, | 2910.90 |

# CHANGING FROM SINGLE TO DOUBLE ENTRY.

In Double Entry an account is opened in the Ledger with every person and species of property, or with all resources and liabilities, while in Single Entry accounts are opened with only a portion of the resources and liabilities—usually with persons only. It follows, therefore, that in order to change a set of books from Single to Double Entry, it is only necessary to *open such additional accounts in the Ledger as are necessary to represent all the resources and liabilities of the concern.*

The personal accounts being already shown in the Ledger, it will be necessary to open accounts with Merchandise, Cash, Bills Receivable, Bills Payable, etc., and each of these new accounts must be debited or credited for the amount of such resource or liability, which amounts must be ascertained from sources outside of the books, as by inventory.

The most systematic method of bringing all resources and liabilities into the Ledger is to make out a statement in the following form:

STATEMENT.

| | | | | |
|---|---|---|---|---|
| Statement of Resources and Liabilities of (student) who has this day changed his books from Single to Double Entry. | | | | |
| RESOURCES. | | | | |
| Personal Accounts owing me (already posted) | 127 | 31 | | |
| Cash on hand per Cash Book | 807 | 49 | | |
| Bills Receivable on hand | | | | |
| Merchandise per inventory | 2114 | 35 | | |
| Store Fixtures per Inventory | 425 | | | |
| Horses and Wagons per Inventory | 380 | | 2854 | 15 |
| LIABILITIES. | | | | |
| Personal Accounts I owe (already posted) | 407 | 73 | | |
| Bills Payable, outstanding (per stub of note book) | 394 | 40 | | |
| (Student) Net investment | 2910 | 90 | 3713 | 03 |
| net gain | | | 141 | 12 |
| Credit (student) with net gain $141.12 | | | | |

The above statement should be entered in the Day Book or other book of original entry, and after the amounts have been posted to their respective accounts in the Ledger, the proprietor should be credited with his gain. The Ledger will then be found to be in balance, and the process of changing to Double Entry is accomplished.

The business may now be continued by Double Entry, using the Order Book as a Sales Book, the Explanatory Journal instead of the Day Book, the Cash Book and Ledger.

The following price current may be substituted for those given in the foregoing month. Any articles not enumerated herein should be taken at the price given in the text. Goods returned should be entered at the same price as when sold.

## SELLING PRICES FOR OCTOBER.

| Articles. | List 1 | 2 | 3 | 4 | 5 | Articles. | List 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Apples | $0.45 pk. | $0.50 | $0.60 | $0.50 | $0.55 | Nutmegs | $0.15 doz. | .12 | .13 | $0.15 | $0.15 |
| | 3.50 brl. | 3.00 | 3.50 | 3.00 | 3.50 | Oatmeal | .04 lb. | .05 | .05 | .05 | .06 |
| Apples, D | .09 lb. | .10 | .10 | .09½ | .09 | Oranges | .25 doz. | .30 | .35 | .30 | .32 |
| Basket | .25 ea. | .30 | .30 | .25 | .30 | Onions | 1.60 bu. | 1.80 | 2.00 | 2.00 | 1.50 |
| Beans | 2.00 bu. | 2.20 | 2.40 | 1.80 | 2.00 | Oysters | .40 qt. | .50 | .50 | .50 | .60 |
| Beef, D | .20 lb. | .25 | .18 | .18 | .20 | Oil, K | .20 gal. | .22 | .20 | .21 | .25 |
| Butter | .30 lb. | .28 | .27 | .30 | .32 | Pail, W | .30 ea. | .35 | .32 | .35 | .30 |
| Blueing | .05 ea. | .05 | .05 | .05 | .05 | Peas | 3.00 bu. | 3.60 | 3.20 | 4.00 | 3.00 |
| Broom | .25 ea. | .30 | .30 | .28 | .26 | Peas, Canned | .30 can. | .35 | .30 | .35 | .30 |
| Borax | .60 lb. | .50 | .60 | .65 | .55 | Peaches, " | .30 can. | .35 | .35 | .35 | .30 |
| Crackers, P | .11 lb. | .12 | .12 | .11 | .11 | Peaches, D | .40 lb. | .45 | .40 | .45 | .45 |
| Crackers, S | .10 lb. | .11 | .12 | .11 | .10 | Potatoes | .80 bu. | .75 | .80 | .85 | .80 |
| Cheese | .25 lb. | .22 | .24 | .20 | .22 | Potatoes, S. | .05 lb. | .06 | .07 | .06 | .05 |
| Cabbages | .16 ea. | .18 | .20 | .18 | .20 | | 3.00 bu. | 3.25 | 3.50 | 3.50 | 3.25 |
| Chickens | .20 lb. | .16 | .18 | .16 | .18 | Pears | .30 can. | .35 | .36 | .35 | .35 |
| Chocolate | .40 lb. | .42 | .44 | .45 | .42 | Prunes, T | .10 lb. | .12 | .11 | .10 | .11 |
| Cocoa | .45 lb. | .44 | .46 | .48 | .50 | Pepper | .20 bx. | .25 | .25 | .20 | .22 |
| Cinnamon | .80 lb. | .90 | .88 | .84 | .84 | Raisins | .20 lb. | .22 | .20 | .18 | .25 |
| Cider | .40 gal. | .45 | .50 | .50 | .50 | Rice | .10 lb. | .10 | .08 | .09 | .10 |
| Corn, C | .50 pk. | .45 | .40 | .50 | .50 | Soda | .09 lb. | .10 | .08 | .09 | .10 |
| Coffee, J | .33 lb. | .35 | .40 | .45 | .40 | Starch, S. G | .20 pk. | .22 | .25 | .24 | .23 |
| Coffee, O. G. J | .30 lb. | .35 | .30 | .32 | .34 | Salt, T | .10 sk. | .12 | .15 | .12 | .13 |
| Coffee, M | .25 lb. | .25 | .30 | .26 | .24 | Soap, P. & G | .10 bar. | .12 | .11 | .12 | .11 |
| Coffee, Rio | .28 lb. | .30 | .30 | .25 | .30 | | 3.80 bx. | 3.60 | 3.75 | 3.80 | 3.85 |
| Crystal, W | .15 bx. | .15 | .16 | .16 | .16 | Soap, Kirk's | 3.75 bx. | 3.80 | 4.00 | 3.80 | 3.75 |
| Dusters, F | 1.25 ea. | 1.30 | 1.30 | 1.25 | 1.30 | Syrup, S. D | .60 gal. | .70 | .75 | .70 | .75 |
| Eggs | .20 doz. | .18 | .20 | .22 | .25 | Sugar, M | .25 lb. | .30 | .32 | .30 | .28 |
| Flour, W. W | 6.00 brl. | 7.00 | 6.50 | 7.00 | 6.50 | Sugar, A. C | .10 lb. | .11 | .12 | .12 | .11 |
| Flour, P | 3.00 sk. | 3.25 | 3.20 | 3.25 | 3.25 | Sugar, A | .10 lb. | .11 | .11 | .10½ | .11 |
| Flour, B. W | .05 lb. | .05 | .05 | .05 | .05 | Sugar, B | .09 lb. | .08 | .09 | .08 | .09 |
| Fish, C | .10 lb. | .10 | .09 | .08 | .09 | Sugar, C | .08 lb. | .08½ | .08 | .09 | .08 |
| Figs, S | .50 bx. | .60 | .65 | .60 | .55 | Sugar, G | .10 lb. | .09 | .08 | .09 | .10 |
| Figs, C | .25 bx. | .25 | .25 | .25 | .25 | Sardines | .20 can. | .18 | .19 | .20 | .20 |
| Honey | .40 lb. | .35 | .40 | .45 | .50 | Tartar, C | .60 lb. | .65 | .60 | .58 | .57 |
| Indigo | .15 oz. | .16 | .18 | .20 | .18 | Tea, J | .60 lb. | .65 | .60 | .55 | .62½ |
| Lard | .14 lb. | .15 | .13 | .14 | .15 | Tea, Y. H | .40 lb. | .50 | .45 | .46 | .50 |
| Lemons | .25 doz. | .30 | .30 | .30 | .30 | Tea, B | .75 lb. | .80 | .85 | .80 | .75 |
| Lemon Ext | .25 ea. | .25 | .30 | .30 | .30 | Turkey | .16 lb. | .18 | .20 | .18 | .16 |
| Molasses, M | .75 gal. | .80 | .85 | .75 | .80 | Turnips | .85 bu. | .90 | .85 | .80 | .90 |
| Molasses, N. O. | .60 gal. | .70 | .75 | .70 | .75 | Tomatoes | .15 can. | .15 | .15 | .15 | .15 |
| Mackerel | .07 lb. | .08 | .09 | .08 | .09 | Tub, W | 1.25 ea. | 1.00 | 1.50 | 1.30 | 1.20 |
| Milk, C | .75 can. | .80 | .80 | .80 | .75 | Vinegar, C | .45 gal. | .50 | .55 | .50 | .60 |
| Mouse Trap | .50 ea. | .60 | .60 | .50 | .60 | Wicks, L | .02 ea. | .02 | .02 | .02 | .02 |
| Meal, C | .03 lb. | .04 | .04 | .04 | .04 | Yeast Powder | .25 bx. | .24 | .26 | .25 | .24 |
| Nuts, M | .20 lb. | .25 | .25 | .20 | .25 | | | | | | |

The following results are derived from the use of the foregoing price lists. In making out the statement of Resources and Liabilities, enter the inventories of merchandise, store fixtures and horses and wagons the same as given in the Statement on page —. After making out the Statement of Resources and Liabilities, and crediting the proprietor with his gain, his net capital should be the same as shown in the last line of the following

Results.

| | List 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand Oct. 6 | $990.92 | $992.81 | $993.20 | $992.64 | $992.13 |
| Cash on hand Oct. 13 | 803.29 | 805.18 | 805.57 | 805.01 | 804.50 |
| Cash on hand Oct. 20 | 935.29 | 937.18 | 937.57 | 937.01 | 936.50 |
| Cash on hand Oct. 27 | 850.59 | 852.94 | 853.66 | 852.78 | 852.59 |
| Cash on hand Oct. 31 | 808.22 | 810.37 | 811.29 | 810.41 | 810.22 |
| Personal Accounts owing me Oct. 31 | 144.25 | 151.80 | 158.57 | 155.17 | 162.85 |
| Personal Accounts I owe Oct. 31 | 406.18 | 406.94 | 404.73 | 406.00 | 405.47 |
| Bills Payable Outstanding Oct 31 | 394.40 | 394.40 | 394.40 | 394.40 | 394.40 |
| (Student's) net capital in business | 3071.24 | 3080.18 | 3090.08 | 3084.53 | 3092.55 |

# Minor Details in Book-keeping.

A MERCHANT'S BOOKS should be so kept as will enable him to see from day to day, if necessary, how the business is progressing—when it is desirable to enlarge or extend his facilities, and when to retrench; when he is justified in employing additional clerks, and when he should reduce his force; when he may enlarge the volume of credit granted to customers, and when, in wisdom, he should reduce it. The practice of keeping an account of such details is mostly confined to houses doing a large business, but it could be employed with great advantage by small concerns.

One of the most important of such details is a record of the daily sales made by each clerk. A book, ruled with columns, may be provided for this purpose, each column designated at the head by a number or the initial letters of the salesman's name, and into these columns are entered, at the close of each day, the total sales of each clerk opposite the date. When recording a sale on the Order Book, the clerk places his initials on the margin, thus enabling the book-keeper to give each salesman proper credit. If the business is almost exclusively Cash, and the ticket system is used, as is mostly the case in large houses, the ticket may bear the number or initial of the clerk making the sale.

Form of Daily Sales Book.

| 19— | A. H. D. | S. P. | M. K. | L. C. D. | A. D. B. | |
|---|---|---|---|---|---|---|
| April 4 | 31.29 | 15.25 | 9.84 | 6.50 | 3.84 | $66.72 |
| " 5 | 28.42 | 12.82 | Sick | 5.80 | 5.16 | 52.20 |
| " 6 | 17.16 | 8.10 | 6.50 | 9.30 | 11.50 | 52.56 |
| " 7 | 34.26 | Absent | 7.30 | 7.55 | 9.20 | 58.31 |
| " 8 | 28.94 | 13.16 | 10.50 | 11.80 | 8.60 | 73.00 |
| " 9 | 42.16 | 22.15 | 13.80 | 14.20 | 12.30 | 104.61 |
| | | | Total | sales for the | week, | $407.40 |

By such a system as this the proprietor is able to judge readily of the value and efficiency of his clerks and to regulate their salaries accordingly. Should times of depression occur, he knows whose services he can most profitably dispense with. Besides, the fact that each salesman's daily sales are to be laid before the eyes of his principal in comparison with those of his fellow-salesmen, at the close of each day, soon begets a spirit of competition between the clerks, and new life and energy is infused into a business which was, perhaps, before, dull and unprofitable.

In case the business is done on the basis of part cash and part credit, it is very important that the merchant should know just what proportions of his sales are cash and what are credit, and how these compare with previous seasons, as indicating the progress and tendency of the

COMPARISON OF DAILY SALES.

| Day of Month. | January. | | February. | |
|---|---|---|---|---|
| | Cash. | Credit. | Cash. | Credit. |
| 1 | ..... | ..... | 80.85 | 80.60 |
| 2 | ..... | ..... | 50.35 | 75.20 |
| 3 | 85.30 | 60.40 | 56.20 | 85.40 |
| 4 | 75.20 | 70.50 | 45.30 | 55.80 |
| 5 | 84.30 | 50.40 | ..... | ..... |
| 6 | 26.30 | 40.75 | 60.50 | 49.80 |
| 7 | 62.40 | 84.20 | 29.60 | 65.30 |
| 8 | ..... | ..... | 35.75 | 75.20 |
| 9 | 42.35 | 90.20 | 45.35 | 60.85 |
| 10 | 65.80 | 85.20 | 60.50 | 85.75 |
| 11 | 84.25 | 42.60 | 75.20 | 86.20 |
| 12 | 30.60 | 35.60 | ..... | ..... |
| 13 | 67.20 | 40.85 | 48.25 | 75.60 |
| 14 | 85.40 | 90.26 | | |
| 15 | ..... | ..... | | |
| 16 | 85.30 | 90.85 | | |
| 17 | 40.62 | 90.80 | | |
| 18 | 35.84 | 25.35 | | |
| 19 | 48.95 | 60.75 | | |
| 20 | 96.75 | 25.60 | | |
| 21 | 85.20 | 60.30 | | |
| 22 | ..... | ..... | | |
| 23 | 85.30 | 86.40 | | |
| 24 | 65.70 | 75.30 | | |
| 25 | 45.50 | 85.43 | | |
| 26 | 38.60 | 48.60 | | |
| 27 | 28.60 | 29.30 | | |
| 28 | 45.20 | 85.60 | | |
| 29 | ..... | ..... | | |
| 30 | 85.20 | 42.84 | | |
| 31 | 74.60 | 67.50 | | |

business. This showing may be made in the accompanying form, "Comparison of Daily Sales."

It may seem to some that the time and labor required in keeping such memoranda is too great for the benefit derived, but let it be remembered that in such matters as these often lies the difference between success and failure with the merchant.

Since it is of the highest importance that the merchant should meet his indebtedness promptly if he would enjoy the benefits of good credit, when accounts payable are very numerous it is of great utility to keep a book of "*Accounts Payable*," so that the proprietor may see what payments he will be expected to make at any particular time, and make his calculations accordingly. As the goods are unpacked they are examined as to quality and compared with the invoice as to quantity and price. If an error has been made in the goods sent or price, they are set aside and notice immediately sent to the wholesale house from which they are received or the shortage is charged up. If all is found correct, the Invoice is checked, or marked with some sign of approval, and is then entered upon the "*Accounts Payable*" book. This is an auxiliary book. Its form may vary to suit the preferences of the book-keeper but the following is considered a convenient form:

MATURITY OF ACCOUNTS PAYABLE.

| NO. | NAMES AND ADDRESS. | DATE OF INVOICE. | AMOUNT. | TERMS. | DUE. | PAID. | DISCOUNT. | NET AMOUNT. | HOW PAID. | REMARKS. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 18— | | | | | | | | |
| 1 | J. W. Brown, Salem..... | Jan. 5. | 560.00 | 60 days. | Mar. 6. | Mar. 4. | | 560.00 | Ck. ⇄10. | |
| 2 | Ames & Frost, New York.. | Apr. 10. | 145.00 | 30 days 2% 10 d | Apr. 20. | Apr. 18. | 2.90 | 142.10 | N.Y. Ex. | |
| 3 | Davis & Gilbert, Boston... | June 18. | 75.50 | 30 days. | July 18. | July 16. | | 75.50 | N.Y. Ex. | |

As soon as an item is paid, the date, amount of discount, if any, net amount, and how the payment is made, are entered in the proper columns.

## QUESTIONS FOR REVIEW.

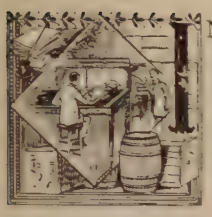
1. By what class of persons is Single Entry Book-keeping used? 2. What is the distinguishing feature between Single and Double Entry? 3. What is the Order Book? 4. To what book are the entries in the Order Book transferred? 5. Under what circumstances would several Order Books be necessary? 6. Is the Order Book a book of original entry, and if so, for what class of entries? 7. What class of transactions are usually not entered in the Single Entry Day Book? 8. In what does the Day Book in Single Entry differ from that used in Double Entry? 9. What is the use of the Cash Book in Single Entry? 10. What is the peculiarity in form of the Ledger in this set? 11. What is the object of itemizing the sales in the Ledger? 12. What must be done in order to change a set of books from Single to Double Entry? 13. Where should the statement of resources and liabilities be recorded? 14. In making a statement of resources and liabilities, from what source would you ascertain the Merchandise items? 15. From what source would you ascertain the Bills Receivable item? 16. From what source would you obtain the Bills Payable item? 17. In case there is a difference between the resources and liabilities in the statement, what does this difference show, and how should it be entered? 18. In making up a statement of resources and liabilities, is the investment of the proprietor classed as a liability or a resource, and why? 19. What should a merchant's books show from day to day? 20. What is a "Minor Detail" in book-keeping? 21. What is the object of a record of daily sales made by each clerk? 22. What is the object of a Comparison of Daily Sales for Cash and Credit? 23. What is the object of an "*Accounts Payable*" book? When goods are received, what should be done as they are unpacked? 25. If an error or discrepancy is discovered, what is to be done? 26. Is the Accounts Payable an auxiliary, or a principal book? 27. What facts does this book exhibit? 28. As the bill is paid what record is entered in the Accounts Payable book?

# WHOLESALE

## GROCERY BUSINESS.

INTRODUCING

## INVOICE BOOK, SALES BOOK AND BILL BOOKS.



IN a business so extensive as is usually conducted in the wholesale trade, several book-keepers are required, necessitating a division of labor, and instead of recording the entire transactions of the house in a single Day Book, or Explanatory Journal, numerous books of original entry are used, each containing a record of a distinct class of transactions. It also becomes necessary in every large business to economize the time and labor of the book-keepers to the fullest extent, by avoiding as far as possible the repetition of entries, and unnecessary writing. This has the additional merit of avoiding liability to errors, since every repetition of an entry increases the opportunity for error. Instead of carrying the entries through a Journal, the system now commonly used in large houses is to post direct from the books of original entry to the Ledger, as will be illustrated in the following set.

### THE CASH BOOK

is used as a book of original entry for all Cash transactions, and is kept in a similar manner to the Cash Book in Retail.

If a debit or credit of Cash in this book finds its corresponding credit or debit in some other book of original entry, it is not posted, but is checked (✓) in the Cash Book.

Small cash sales are usually entered in a *Petty Cash Book*, the totals of which are carried, at the end of the day, to the general Cash Book. If, however, the business is not large, or such sales are not numerous, a Mdse. column is sometimes kept in the Cash Book into which such items are entered.

It will be necessary to keep a Cash Discount column on each side of the Cash Book, since in wholesale business Cash Discounts are not only *allowed* to customers, but are, in turn, *received* from those of whom the house buys. The method of handling these cash discounts will be the same as explained in Retail. (See page 88.) Enter the discount in the Discount column and the net amount paid or received in the Money column. Post both items separately to the person's account in the Ledger. In closing the Cash Book, do not extend the totals of the Discount columns into the Money columns, but post these items directly to the Discount account in the Ledger.

A Discount column is sometimes kept in the Ledger into which the discount is entered, while the total amount, instead of the net amount, is entered in the Money column of the account. This is done in order to save a line in the Ledger.

### SALES BOOK.

Sales constitute the most numerous class of entries in a wholesale business and a saving of labor and time is highly important here. The most improved system employed among wholesale grocery houses consists of the use of the Salesman's Order Blank, a form of which is given on the following page. When selling a bill of goods the salesman fills in name of customer, address, date sold, his own name as salesman, quantity, items and price. He then passes the order over to a Record Clerk whose duty it is to first get the order *O. K'd* by the Credit Man, then number the order and enter the name, order number and shell number (the *shell* is the case in which these orders are bound in book form) upon a record which he keeps of all orders that pass

through his hands, as well as the time sent out. He then passes the order over to the Shipping Clerk, who calls down the goods from the different departments where they are in stock. Small articles or those easily broken are sent to the packing room where they are packed together in a box, and then sent to the shipping room. When all goods on the order are collected together

SALESMAN'S ORDER BLANK.

COUNTRY DEPARTMENT.

WM. D. BROWN & CO.
WHOLESALE GROCERS.

ORDER NO. 167 — TERMS Reg. C — DATE SOLD 8/1/9- — SALESMAN Hunter — PAGE 647 - — DATE BILLED 8/1 — LEDGER FOLIO 842.

SOLD TO Hamer Bros.
TOWN AND STATE Waterloo Iowa.
SHIP BY C. & N. W. Ry.

| | SHIPPER'S CHECK | QUANTITY | REGISTER NO. | WEIGHT | PRICE | SALESMEN MUST NOT USE THESE COLUMNS | |
|---|---|---|---|---|---|---|---|
| | ✓ | 5 | bbls Gran Sugar 312 316 321 318 | 1395 | 4⅞ | 77 | 75 |
| | ✓ | 3 | " C. " 336 329 319 | 984 | 4⅝ | 40 | 59 |
| | ✓ | 5 | cases B & M Corn | 10 | 90 | 9 | |
| | ✓ | 10 | " Roy. Str. Beans | 20 | 70 | 14 | |
| | ✓ | 1 | ch. B. T. Jap. Tea #48 | 69 | 25 | 17 | 25 |
| | ✓ | 1 | case Perf. B Powder #1 | 20 lb | 4.60 | 3 | 65 |
| | ✓ | 1 | sk J & M. Coffee | 108 | 29 | 31 | 32 |
| | ✓ | 1 | bbl Honey Dew Syrup | 67 | 25 | 15 | 50 |
| | ✓ | 5 | " Pillsbury's Best Flour 48s | 5 | 4.00 | 20 | 00 |
| | ✓ | 1 | butt Star Tobacco | 24 | 39 | 9 | 36 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | AMOUNT FORWARD | | | 235 | 99 |

they are shipped or delivered, and a receipt taken from the party to whom delivered. As the goods are called down they are checked ✓ in the order blank and as they are shipped they are cross-checked ✓.

The order now goes to the Bill Clerk, who extends the amounts and makes out the bill, putting the date of billing in the space at upper right hand corner of the order blank.

The order is then passed back to the Record Clerk, who records the fact of its return, with the day and hour. These orders are then bound together and paged, and constitute the Sales Book. From this the book-keeper posts to the debit of the customer's account in the Ledger, post-marking by putting the page of the Ledger in the Sales Book and the folio of the Sales Book in the Ledger. The amounts are footed upon a sheet bound with the orders for the purpose, and at the end of the month the total sales are posted to the credit of Merchandise account in the Ledger.

After the book-keeper has finished his posting the Sales Book goes to a clerk whose duty it is to enter the cost in the first column at the left, figure the profit and enter same in the last column at the right. If the order was sold by an agent, or one who is working upon a commission, the account of such agent is credited with the date, name and amount of bill and amount of profit.

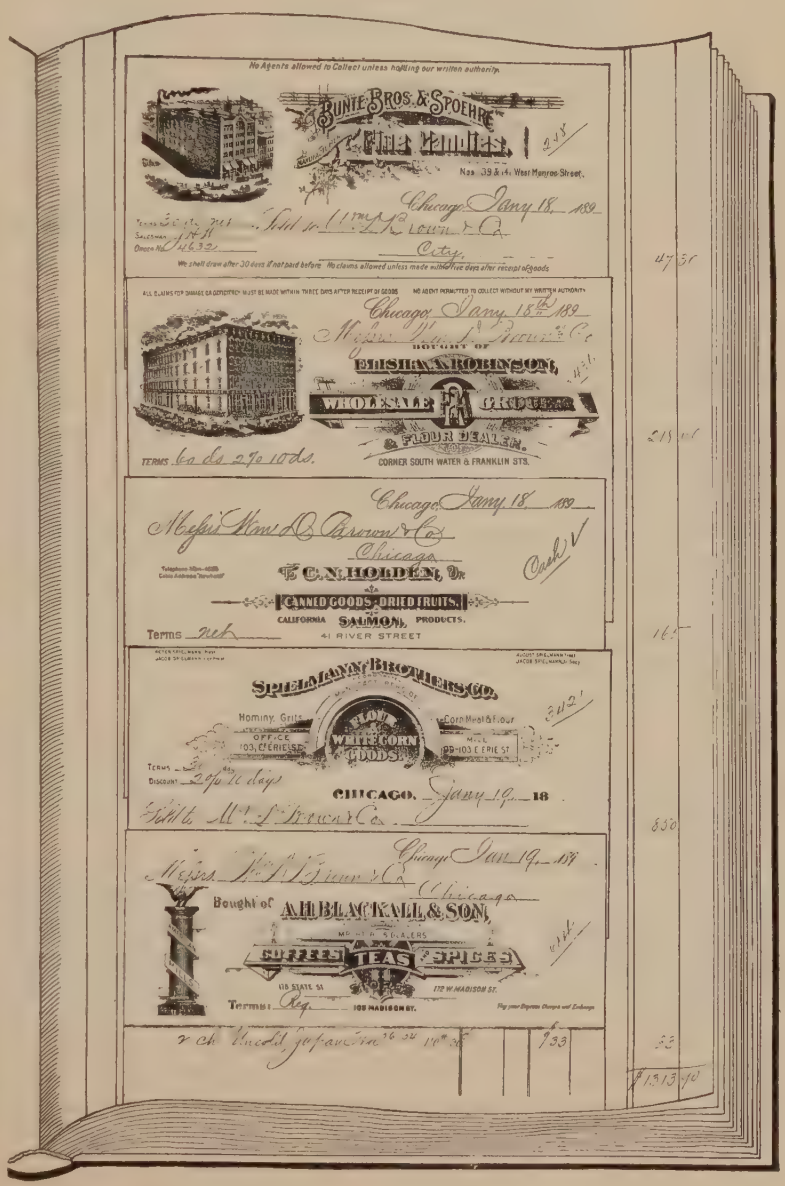
Since it will be impracticable to use the Order Blank in writing up the following set, the old form of Sales Book will be used (see page 116). At the end of the month the total footing of this book will be posted to the credit of Merchandise account in the Ledger.

In some lines of business the Sales Book consists of a large impression book of very thin leaves into which all bills are copied by means of a letter press. This book is then footed and posted from as in other cases.

## INVOICE BOOK.

In this book are entered all purchases of Merchandise. After the invoices are received they are pasted into a book called an Invoice Book. Each invoice is gummed upon its lower edge and pasted so as to overlap the one above it, exposing the name only, thus saving space. This book will appear as in the accompanying illustration. The date may be entered in the date column at the left, and amounts are extended into the money column at the right. If the goods are bought on credit, the item is posted direct to the credit of the person or firm of whom bought and the entry post-marked. If cash is paid, the item is checked ✓ in the Invoice Book and entered in the Cash Book.

Invoice Book.




The amounts in the Invoice Book should be added, and the footing posted to the debit of the Merchandise account in the Ledger, once a month, or whenever it is desired to take a Trial Balance.

In this set, since we have no actual invoices, the student may enter the name of the person or firm of whom bought, amount, etc., in a separate book, considered as an Invoice Book, as shown on page 117.

In practical business the date of the invoice is carried to the Ledger account as the date of the item posted, and and not the date when the posting is done. Thus, an invoice dated January 10th may not be received by the purchaser and posted into his Ledger until January 15th, nevertheless when the entry goes upon the Ledger it will bear the date January 10th and not that of the day when posted. This method of dating is necessary in order to ascertain the maturity of the invoices by reference to the Ledger account. The date *when posted* is of no consequence whatever, but the date of the invoice is of great importance, as from that is reckoned the term of credit, and the allowance of cash discounts.

## RETURNED GOODS.

In every large wholesale business there will always be more or less goods returned, claims for shortages, errors in price, etc., and the time of one or more clerks, called Claim Clerks, is required, whose duty it is to see that customers receive proper credits. Customers returning goods or making claims for rebates should give date, book and page, as given upon the bill, so that the claim clerk may readily refer to the original order and trace up the error. All such credits are entered upon a book called a *Returned Goods Book* or *Credit Book*, giving the name of customer, items, etc., thus:

| | | | |
|---|---|---|---|
| *19—* | | | |
| *June 10,* | *J. H. Smith,* | *Cr.* | |
| | *50 lbs. C. Rice Returned Damaged, 4c.* | | *2* |

The book-keeper posts these items to the credit of the persons. The amounts are footed and carried forward until the end of the month, when the total is posted in one sum to the debit of the Merchandise account.

This book is treated precisely as an Invoice Book, being posted from in the same manner, and in the following set, for the sake of simplicity, and since such items are few, they will be entered in the Invoice Book, and no Returned Goods Book will be kept.

## JOURNAL.

But few entries will be made in the Journal, and these only such whose nature will not admit of their being entered in the Sales Book, Invoice Book or Cash Book. This book especially records the debits and credits of Notes, Drafts and allowances for interest, discount, etc. This is a book of original entry, and a sufficient explanation should be supplied to make each entry clear and intelligible. This explanation may be made directly beneath the entry in a smaller hand, thus:

| | | | | |
|---|---|---|---|---|
| 19— | | | | |
| *Aug. 4.* | *Bills Rec.* | | *100* | |
| | | *To William Dawson,* | | *100* |
| | | *His Note at 60 days in full settlement of account.* | | |

## BILLS RECEIVABLE AND BILLS PAYABLE BOOKS.

These books are used for entering notes and acceptances both receivable and payable By reference to the form on pages 120–1, it will be seen that numerous columns are used in which are entered the particulars concerning the paper. Great care should be exercised in filling in the facts in the Bill Books, computing the maturity of the paper, etc., as promptness in paying or collecting the same will depend upon such record. These are auxiliary books, being explanatory to entries in the Journal and are not posted from.

# INSTRUCTIONS.

The student should follow carefully the instructions found under each transaction, and with due reflection the reasons for the various steps taken will be apparent. At the end of each month foot the different books, post the footings, take a Trial Balance, close the Ledger, and make out a Balance Sheet, which must agree with the results given.

## LEDGER HEADINGS.

Under the title Discount will be entered all Cash Discourts, and under Interest and Discount will be entered all items in the nature of interest.

Allow space for each account not less than the following number of lines: (Student), 14; Cash, 12; Merchandise, 12; Bills Receivable, 22. Bills Payable, 23; David Jayne & Son, Philadelphia, 12; S. Thompson & Co., Baltimore, 8; Adams, Earle & Co., Lafayette, Ind., 8; Brown & Gorham, New York, 14; Franklin MacVeagh & Co., Chicago, 8; Whitney, Bauserman & Co., Omaha, 8; Foreman & Reno, Council Bluffs, Ia., 12; Collins, Downing & Co., Boston, 12; E. T. Taubman, Cedar Falls, Ia., 6; John Riley, Clinton, Ia., 7; Cameron, Amberg & Co., 5; Milton, Chapin & Co., Sioux City, Ia., 6; L. Murrin, Cheyenne, W. T., 6; Robert Moore, Boston, 5; Shipment, Robert Moore, Boston, 6; R. M. Smith & Co., Lancaster, Pa., 5; J. L. Roberts, 5; Curtis & Blake, Winona, Minn, 6; Samuel McCartney, 5; John B. Sherwood, 5; Cross & Blackwell, London, England, 6; Simon Baker, 5; William Barlow, 6; Robert Warren, 5; Shipment, Matthew Simpson, Philadelphia, 6; Matthew Simpson, 6; Interest and Discount, 24; Premium, 5; Discount, 12; Exchange, 8; Suspense, 6; Fixtures, 8; Expense, 12; House and Lot, 75 Main St., 10; Profit and Loss, 25.

## TRANSACTIONS.

19—

Jan. **1.** (Student) has this day invested in the wholesale Grocery business, Cash, $12000.

Enter the amount in the Cash Book, using the name of the person doing business, and immediately post to that person's credit in the Ledger, post-marking the entries by putting the page of the Cash Book in the Ledger, and the page of the Ledger in the Cash Book.

" **1.** Bought of David Jayne & Son, Philadelphia, on account, 30 days, 100 boxes Valencia Raisins at $4, $400; 40 doz. 2-lb. Cove Oysters, at $5, $200; 100 doz. 3-lb. Canned Peaches at $5, $500; 300 brls. Family Flour at $8, $2400. Total $3500.

Enter in the Invoice Book (see page 117), and from there post to the credit of the persons of whom the goods were bought, specifying the term of credit, post-marking the entries by putting the page of the Invoice Book in the Ledger, and the page of the Ledger in the Invoice Book.

" **3.** Sold to S. Thompson & Co., Baltimore, on 30 days' credit, 20 doz. 2-lb. Cove Oysters at $6, $120; 30 boxes Valencia Raisins at $4.50, $135; 10 brls. Family Flour at $9, $90. Total $345.

Enter in the Sales Book (see page 116), and from there post to the debit of the persons to whom the goods were sold, specifying the term of credit, and post-marking the entries.

" **5.** Sold for Cash to James Campbell, 20 brls. Family Flour at $9, $180; 20 boxes Valencia Raisins at $5, $100; 10 doz. 2-lb. Cove Oysters at $5.50, $55. Total $335. Less 2% for Cash.

Enter the sale in the Sales Book for the full amount of the bill, and check the entry. Enter the Cash in the Cash Book, and check the entry.

" **8.** Sold to Robert Warren on his Note at 60 days, payable at his office without interest, 10 boxes Valencia Raisins at $5, $50; 5 doz. 2-lb. Cove Oysters at $6, $30; 20 doz. 3-lb. Canned Peaches at $6, $120; 50 brls. Family Flour at $9, $450. Total $650.

Enter in the Sales Book, designating it by writing "Note at 60 days" and check the entry. Make a Journal Entry, debiting Bills Rec., and crediting Mdse. Beneath the Journal Entry, in a smaller hand, write as an explanation, "*Robert Warren's Note at 60 days received for Mdse.*" Check the Mdse. and post the Bills Rec. portion of the entry, post-marking the entry. Enter the Note in the Bills Receivable book, using care in filling up the columns, and check the entry.

" **10.** Bought of William Smith on my Note at 30 days, payable at my office without interest, 50 brls. Extra Flour at $7, $350; 50 doz. 1-lb. Cove Oysters at $2.50, $125, 50 boxes Cheese, 3000 lb., at 10¢, $300, 100 brls. Apples at $3, $300; 20 sacks Rio Coffee, 3000 lbs., at 20¢, $600. Total $1675.

Enter the purchase in the Invoice Book, designating it by writing "Note at 30 days," and check the entry. Make a Journal Entry, debiting Mdse. and crediting Bills Pay. Beneath the entry write as an explanation, "*Note at 30 days given William Smith for Mdse.*" Check the Mdse. and post Bills Pay. portion of the entry. Enter the Note in the Bills Payable book, and check the entry.

19—

Jan. 11. Bought for Cash of Joseph Baker, 10 hhds. N. O. Sugar, 12000 lbs., at 10¢, $1200; 20 brls. Mess Beef at $20, $400; 20 brls. Prime Pork at $15, $300. Total $1900. Less 2% for Cash.

Enter in the Invoice Book for the full amount of the invoice, designating it by writing "Cash," and check the entry. Enter the Cash in the Cash Book, and check the entry.

" 12. Received Cash of S. Thompson & Co., on account, $200.

Enter on the Dr. side of the Cash Book, and from there post to the credit of S. Thompson & Co.'s account in the Ledger, post-marking the entries.

" 15. Sold to Whitney, Bauserman & Co., Omaha, on 30 days' credit, 10 brls. Prime Pork at $17, $170; 10 brls. Mess Beef at $21, $210; 5 hhds. N. O. Sugar, 6000 lbs., at 11¢, $660; 10 sacks Rio Coffee, 1500 lbs., at 22¢, $330; 50 brls. Apples at $2, $100. Total $1470.

Enter in the Sales Book, and from there post to the Ledger, to the debit of the persons to whom the the goods were sold, and post-mark the entries.

" 15. Exchanged Notes with John Dale for our mutual accommodation, each drawn at 30 days, without interest, payable at our offices, for $600.

Make a Journal entry debiting Bills Receivable and crediting Bills Payable. Write as an explanation "*Exchanged Notes with John Dale for mutual accommodation.*" Post and post-mark the entry. Enter both notes in the Bill Books, the one received as Bills Receivable, and the one given as Bills Payable, and check the entries.

" 15. Discounted at First National Bank, John Dale's Note. Face of Note, $600; Discount off 33 days at 6%, $*.**. Net proceeds received in Cash, $***.**.

Enter on the Dr. side of the Cash Book, "*To Bills Receivable, $600,*" the face of the Note, and from there post to the credit of Bills Receivable account in the Ledger, and post-mark the entry. Enter on the Cr. side of the Cash Book, "*By Discount,*" and from there post to the debit of Discount in the Ledger, and post-mark the entry. Write in the column "When and How Disposed of," in your Bill Book, opposite the Note, the date, and "*Discounted at First National Bank.*"

" 17. Accepted David Jayne & Son's Draft on me, dated the 16th inst., at 15 days, for $1200.

Make a Journal entry. Explanation "*Accepted David Jayne & Son's Draft at 15 days.*" Post and post-mark the entry. Enter in the Bills Payable Book without interest, payable at his office. Check the entry.

" 17. Sold to Foreman & Reno, Council Bluffs, Ia., 20 brls. Extra Flour at $8; $160; 20 doz. 1-lb. Cove Oysters at $2.75, $55; 10 brls. Apples at $4, $40; 100 brls. Family Flour at $9, $900. Total $1155. Received in payment, Cash, $400; their Note at 30 days, payable at First National Bank, without interest, $500. Balance on account, $255.

Enter the sale in the Sales Book, and from there post to the debit of the persons to whom the goods were sold, for the whole bill, and post-mark the entries. Enter the Cash on the Dr side of the Cash Book, and from there post to the credit of Foreman & Reno's account in the Ledger, and post-mark the entries. Make a Journal entry, debiting Bills Receivable and crediting Foreman and Reno. Explanation "*Foreman & Reno's Note at 30 days received on account.*" Post and post-mark the entry. Enter the Note in the Bills Receivable Book and check the entry.

" 19. Bought of Collins, Downing & Co., Boston, 50 brls. White Fish at $9, $450; 50 brls. No. 1 Mackerel at $10, $500; 40 brls. P. R. Sugar, 8000 lbs., at 10¢, $800. Total $1750. Gave in payment my Note at 30 days, payable at their office, without interest, $600; Cash, $400. Balance on account, $750.

Enter the purchase in the Invoice Book, and from there post to the Ledger, to the credit of the persons of whom the goods were bought, post-marking the entries. Make a Journal entry for the Note, debiting Collins, Downing & Co., and crediting Bills Pay. Post and post-mark the entries. Enter the Note in the Bill Book, and check the entry. Enter the Cash on the Cr. side of the Cash Book, "*By Collins, Downing & Co.,*" and from there post to the debit of their account in the Ledger, and post-mark the entries.

" 21. Sold for Cash to John Graves, 25 brls. White Fish at $10, $250; 20 brls. P. R. Sugar, 4000 lbs., at 12¢, $480. Total $730. Less 2% for Cash.

Enter the sale in the Sales Book and check the entry. Enter the Cash on the Dr. side of the Cash Book, and check the entry.

19—

Jan. 25. Discounted at First National Bank, Foreman & Reno's Note, dated on the 17th inst., at 30 days. Face of Note, $500; Discount off 25 days at 6%, $*.**. Net proceeds received in Cash, $***.**.

Enter on the Dr. side of the Cash Book the face of the Note, and post to the credit of Bills Receivable account in the Ledger, and post-mark the entries. Enter on the Cr. side of the Cash Book, By Interest and Discount, and from there post to the debit of Interest and Discount in the Ledger, and post-mark the entries. Write in the column, "When and How Disposed of," in the Bill Book, the date, and "*Discounted at First Nat. Bank.*"

" 25. Sold for Cash to F. Smyth, 25 boxes Cheese, 1500 lbs., at 11¢, $165. Less 2% for Cash.

Enter in the Sales Book and check the entry. Enter the Cash in the Cash Book and check the entry.

" 28. Sold to John Riley, Clinton, Ia., on 30 days' credit, 10 brls. Mess Beef at $21, $210; 10 brls. Prime Pork at $15, $150. Total $360.

Enter the sale in the Sales Book, and from there post to the Ledger, to the debit of the person to whom the goods were sold, specifying the term of credit, and post-mark the entries.

" 28. Discounted Note No. 4, in favor of Collins, Downing & Co., dated the 19th inst., at 30 days, due Feb. 21. Face of Note, $600; Discount off ** days at 6%, $*.**. Net proceeds paid in Cash, $***.**.

Enter on the Credit side of the Cash Book, by Bills Payable, the face of the Note. From there post to the debit of Bills Payable account in the Ledger, and post-mark the entries. Enter on the Dr. side of the Cash Book, *To interest and Discount*, from there post to the credit of Interest and Discount in the Ledger, and post-mark the entries. Write in the Bill Book the date, and "*Paid in Cash, less discount.*"

" 29. Sold to E. T. Taubman, Cedar Falls, Ia., on 60 days' credit, 120 brls. Family Flour at $9, $1080.

Enter in the Sales Book; from there post to the debit of the person to whom the goods were sold, and post-mark the entries.

" 31. Paid Cash for Clerk Hire, $120; Rent of Store, $125. Total $245.

Enter both items on the Cr. side of the Cash Book, By Expense, from there post to the debit of Expense in the Ledger, and post-mark the entries.

### Inventory of Merchandise Unsold, January 31, 19—

| | | | | |
|---|---|---|---|---|
| 40 boxes Valencia Raisins, | @ | $4.00 | $*** | |
| 5 doz. 2-lb. Cove Oysters, | @ | 5.00 | ** | |
| 80 " 3-lb. Canned Peaches, | @ | 5.00 | *** | |
| 30 brls. Extra Flour, | @ | 7.00 | *** | |
| 30 doz. 1-lb. Cove Oysters, | @ | 2.50 | ** | |
| 25 boxes Cheese, 1500 lbs., | @ | 10¢ | *** | |
| 40 brls. Apples, | @ | 3.00 | *** | |
| 5 hhds. N. O. Sugar, 6000 lbs., | @ | 10¢ | *** | |
| 25 brls. White Fish | @ | 9.00 | *** | |
| 50 " No. 1 Mackerel, | @ | 10.00 | *** | |
| 20 " P. R. Sugar, 4000 lbs., | @ | 10¢ | *** | |
| 10 sacks Rio Coffee, 1500 lbs., | @ | 20¢ | *** | |
| | | | —— | $**** |

## Results.

| | |
|---|---|
| Cash on hand, | $11795.42 |
| Bills Receivable on hand, | 650.00 |
| Bills Payable outstanding, | 3475.00 |
| Personal Accounts owing me, | 3310.00 |
| Personal Accounts I owe, | 3059.00 |
| (Student's) Net Capital at Closing, | 12395.42 |

| | | | | | | |
|---|---|---|---|---|---|---|
| January | 3 | 124 | S. Thompson & Co., Baltimore, 30 days, | | | |
| | | | 20 doz. 2-lb. Cove Oysters, $6.00 | 120 | | |
| | | | 30 boxes Raisins, 4.50 | 135 | | |
| | | | 10 brls. Family Flour, 9.00 | 90 | | 345 |
| " | 5 | ✓ | James Campbell, Cash, | | | |
| | | | 20 brls. Family Flour, $9.00 | 180 | | |
| | | | 20 boxes Raisins, 5.00 | 100 | | |
| | | | 10 doz. 2-lb. Cove Oysters, 5.50 | 55 | | 335 |
| | | | | 335 | | |
| | | | Less 2% | 6 | 70 | |
| | | | | 328 | 30 | |
| " | 8 | ✓ | Robert Warren, Note at 60 days, | | | |
| | | | 10 boxes Raisins, $5.00 | 50 | | |
| | | | 5 doz. 2-lb. Cove Oysters, 6.00 | 30 | | |
| | | | 20 " 3-lb. Canned Peaches, 6.00 | 120 | | |
| | | | 50 brls. Family Flour, 9.00 | 450 | | 650 |
| " | 15 | 124 | Whitney, Bauserman & Co., Omaha, 30 days, | | | |
| | | | 10 brls. Prime Pork, $17.00 | 170 | | |
| | | | 10 " Mess Beef, 21.00 | 210 | | |
| | | | 5 hhds. N. O. Sugar, 6000 lbs., .11 | 660 | | |
| | | | 10 sacks Rio Coffee, 1500 lbs., .22 | 330 | | |
| | | | 50 brls. Apples, 2.00 | 100 | | 1470 |
| " | 17 | 124 | Foreman & Reno, Council Bluffs, Ia., | | | |
| | | | 20 brls. Extra Flour, $8.00 | 160 | | |
| | | | 20 doz. 1-lb. Cove Oysters, 2.75 | 55 | | |
| | | | 10 brls. Apples, 4.00 | 40 | | |
| | | | 100 " Family Flour, 9.00 | 900 | | 1155 |
| " | 21 | ✓ | John Graves, Cash. | | | |
| | | | 25 brls. White Fish $10.00 | 250 | | |
| | | | 20 " P. R. Sugar, 4000 lbs., .12 | 480 | | 730 |
| | | | | 730 | | |
| | | | Less 2% | 14 | 60 | |
| | | | | 715 | 40 | |
| " | 25 | ✓ | F. Smythe, Cash, | | | |
| | | | 25 boxes Cheese, 1500 lbs., .11 | 165 | | 165 |
| | | | Less 2% | 3 | 30 | |
| | | | | 161 | 70 | |
| " | 28 | 125 | John Riley, Clinton, Ia., 30 days, | | | |
| | | | 10 brls. Mess Beef, $21.00 | 210 | | |
| | | | 10 " Prime Pork, 15.00 | 150 | | 360 |
| " | 29 | 125 | E. T. Taubman, Cedar Falls, Ia., 60 days, | | | |
| | | | 120 brls. Family Flour, $9.00 | | | 1080 |
| " | 31 | | Total sales this month | | | 6290 |

19—

| | | | | | |
|---|---|---|---|---|---|
| January | 1 | 124 | David Jayne & Son, Philadelphia, 30 days, | | 3500 |
| " | 10 | ✓ | William Smith, Note at 30 days, | | 1675 |
| " | 11 | ✓ | Joseph Baker, Cash, | $1900 | 1900 |
| | | | Less 2%, | 38 | |
| | | | | $1862 | |
| " | 19 | 125 | Collins, Downing & Co., Boston, | | 1750 |
| " | 31 | | Total purchases for month, | | $8825 |

## JOURNAL.

19—

| | | | | | |
|---|---|---|---|---|---|
| January | 8 | 123 ✓ | Bills Rec. | 650 | |
| | | | To Mdse. | | 650 |
| | | | Robert Warren's Note at 60 days received for Mdse. | | |
| " | 10 | ✓ 124 | Mdse. | 1675 | |
| | | | To Bills Pay. | | 1675 |
| | | | Note at 30 days given William Smith for Mdse., | | |
| " | 15 | 123 | Bills Rec. | 600 | |
| | | 124 | To Bills Pay. | | 600 |
| | | | Exchanged Notes with John Dale for mutual accommodation. | | |
| " | 17 | 124 | David Jayne & Son | 1200 | |
| | | 124 | To Bills Pay. | | 1200 |
| | | | Accepted David Jayne & Son's Draft at 15 days. | | |
| " | 17 | 123 | Bills Rec. | 500 | |
| | | 124 | To Foreman & Reno | | 500 |
| | | | Received their Note at 30 days to apply on account. | | |
| " | 19 | 125 | Collins, Downing & Co., | 600 | |
| | | 124 | To Bills Pay. | | 600 |
| | | | My Note at 30 days given them to apply on account. | | |

19—

| | | | | | Discount | | Sundries. | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | 123 | To Student, | Investment | | | 12000 | | | |
| " | 5 | ✓ | " Mdse., | Jas. Campbell, S. B. | 6 | 70 | 328 | 30 | | |
| " | 12 | 124 | " S. Thompson & Co., | On account | | | 200 | | | |
| " | 15 | 123 | " Bills Rec., | No. 2 Discounted | | | 600 | | | |
| " | 17 | 124 | " Foreman & Reno, | On account | | | 400 | | | |
| " | 21 | ✓ | " Mdse., | John Graves, S. B. | 14 | 60 | 715 | 40 | | |
| " | 25 | 123 | " Bills Rec., | No. 3 Discounted | | | 500 | | | |
| " | 25 | ✓ | " Mdse., | F. Smythe, S. B. | 3 | 30 | 161 | 70 | | |
| " | 28 | 125 | " Int. and Dis., | Note No. 4 | | | 2 | 40 | | |
| | | 125 | | Total Discount, Dr. | 24 | 60 | | | | |
| | | 128 | | Total Receipts | | | | | 14907 | 80 |
| | | | | | | | | | 14907 | 80 |

CERTIFIED CHECK.

Chicago, September 17, 189-- No. _____

THE FIRST NATIONAL BANK OF CHICAGO. $ 89.30

Pay to the order of Cameron, Amberg & Co

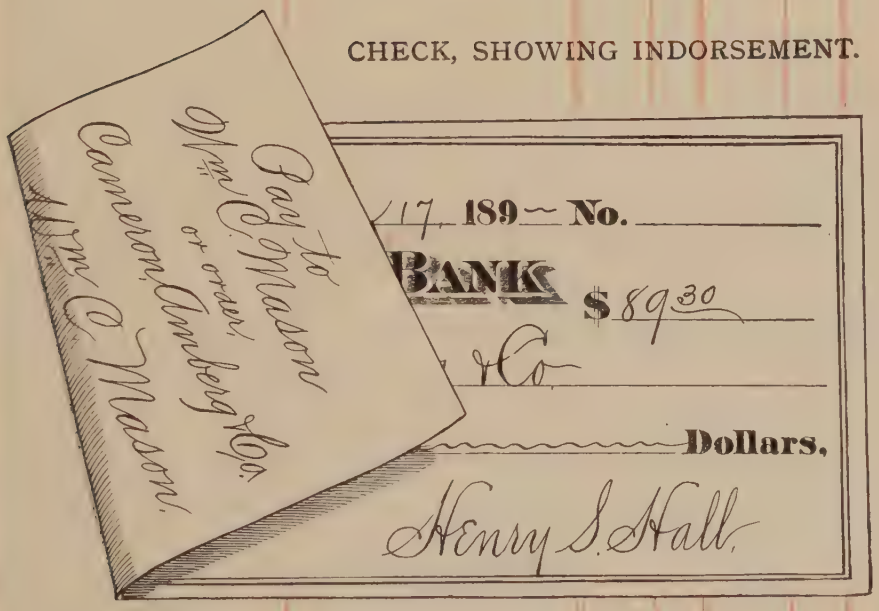
Eighty Nine and 30 Dollars.

Henry S. Hall

19 —

| | | | | | Discount. | Sundries. | Total. |
|---|---|---|---|---|---|---|---|
| Jan. | 11 | ✓ | By Mdse., | Joseph Baker, S. B. | 38 | 1862 | |
| " | 15 | 125 | " Int. and Dis., | Note No. 2 | | 3 30 | |
| " | 19 | 125 | " Collins, Down & Co., | On account | | 400 | |
| " | 25 | 125 | " Int. and Dis., | Note No. 3 | | 2 98 | |
| " | 28 | 124 | " Bills Pay., | Note No. 4 discounted | | 600 | |
| " | 31 | 125 | " Expense, | Rent $125, clerk hire $120 | | 245 | |
| | | 125 | | Total Disct. Cr. | 38 | | |
| | | 123 | | **Total Payments** | | | 3112 38 |
| | | | | Balance | | | |
| | | | | | | | 14907 80 |

CHECK, SHOWING INDORSEMENT.



| When Received. | No. | L. F | Maker or Acceptor. | In Favor Of | Where Payable. | Received For | Date of Paper. |
|---|---|---|---|---|---|---|---|
| 19— Jan. 8 | 1 | ✓ | Robert Warren | Myself | His office | Mdse. | Jan. 8 |
| " 15 | 2 | ✓ | John Dale | " | " " | Bills Payable | " 15 |
| " 17 | 3 | ✓ | Foreman & Reno | " | First Nat. Bk. | On account | " 17 |

## BILLS

| When Issued. | No. | L. F. | Maker or Acceptor. | In Favor of | Where Payable. | Given For | Date of Paper. |
|---|---|---|---|---|---|---|---|
| 19— Jan. 10 | 1 | ✓ | Myself | William Smith | My office | Mdse. | Jan. 10 |
| " 15 | 2 | ✓ | " | John Dale | " " | Bills Receivable | " 15 |
| " 16 | 3 | ✓ | " | David Jayne & Son | " " | On account | " 16 |
| " 19 | 4 | ✓ | " | Collins, Downing & Co., | Their office | On account | " 19 |

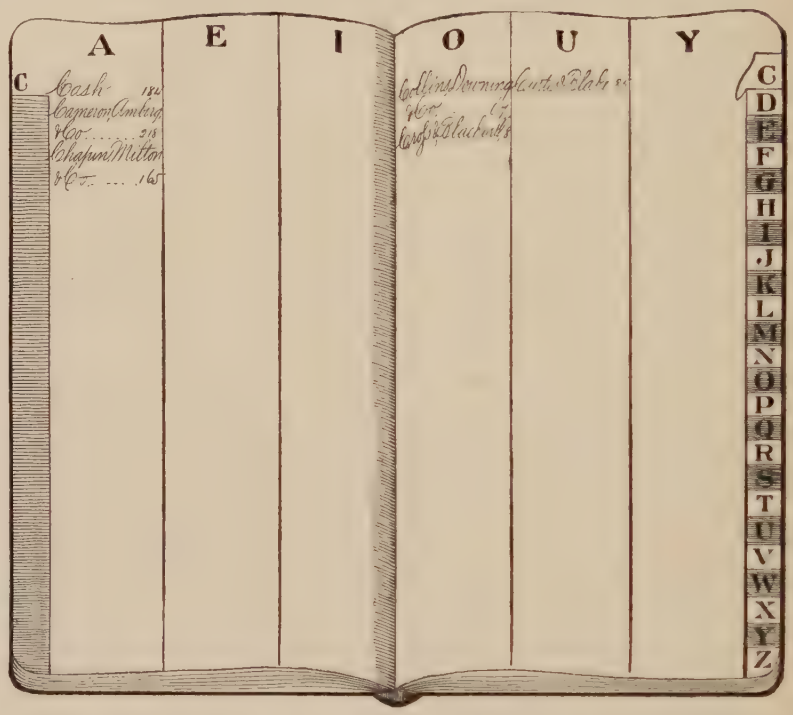
| Time. | When Due. Year. | Jan. | Feb. | March. | April. | May. | June. | July. | Aug. | Sept. | Oct. | Nov. | Dec. | Amount. | Rate of Int. | Amount of Interest. | When and How Disposed of. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 60 days | 18— | | | 9/12 | | | | | | | | | | 650 | | | |
| 30 days | 18— | | 14/17 | | | | | | | | | | | 600 | | | Jan. 15 Disc'ted at First Nat. Bank. |
| 30 days | 18— | | 18/18 | | | | | | | | | | | 500 | | | Jan. 25 Disc'ted at First Nat. Bank. |

## PAYABLE.

| Time. | When Due. Year. | Jan. | Feb | March. | April. | May. | June. | July. | Aug. | Sept. | Oct. | Nov. | Dec. | Amount. | Rate of Int. | Amount of Interest. | When and How Redeemed. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 30 days | 18— | | 9/12 | | | | | | | | | | | 1675 | | | |
| 30 days | 18— | | 14/17 | | | | | | | | | | | 600 | | | |
| 15 days | 18— | 31/3 | | | | | | | | | | | | 1200 | | | |
| 30 days | 18— | | 19/11 | | | | | | | | | | | 600 | | | Jan. 28 Paid in Cash less discount |

# INDEX TO LEDGER ACCOUNTS.

THE student may not regard an index to the Ledger of sufficient consequence to justify its trouble, but to the accountant, with whom little economies become great gains, the index is very important. By means of it he is able to turn readily to any account, while without it, in a business carrying several hundred or thousand accounts, it would be well nigh impossible to keep the books. The subject of indexing, and also that of post-marking, so that ready reference may be had from one book to another, or from one account to another, can scarcely receive too careful attention at the hands of both teacher and student. Indexing is frequently the first work of the novice in an office, and although a simple matter, yet it should be done carefully and accurately, as a name incorrectly indexed is practically lost, until it is found through a general search, and restored to its proper place in the index.




There are several methods of indexing, but they are all based on the one principle of alphabetical arrangement. The vowel index is most generally used, where a large number of accounts are kept. Opening the index at the letter which begins the name of the person whose account we desire to find, look in the column headed with the first vowel in the name. Thus, to find the account of Cash, open the index at C and look in the column headed A; or to find Brown, open the index book at B and look in column headed O.

Where a ledger contains several hundred accounts it may become necessary, for the sake of ready reference, to make a further subdivision of the names. In this case we have what is called a special index, in which the columns of an ordinary vowel index are further subdivided, each portion of which is to receive a class of names. Thus the column A on page B would be divided to receive names beginning as, *Ba*, *Bal*, *Ban*, etc., and so on throughout the entire alphabet.

This subject of indexing is one which applies not only to ledger accounts but also to Letter Books, Invoice Books, Sales Books, etc., in all of which it is necessary, for purposes of reference, to index the entries. This is especially true of the Letter Book and Invoice Book, to which reference must be frequently made.

Many modern forms of index books have been devised, but they are all simple and can be readily understood from the foregoing explanation.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Jan. | 1 | By Cash | 118 | 12000 | |

## CASH.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 31 | To Sunds. | 118 | 14907 | 80 | Jan. | 31 | By Sunds. | 119 | 3112 | 38 |

## MERCHANDISE.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 31 | To Sunds. | 117 | 8825 | | Jan. | 31 | By Sunds. | 116 | 6290 | |

## BILLS RECEIVABLE.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 8 | To Mdse. | 117 | 650 | | Jan. | 15 | By Cash. | 118 | 600 | |
| " | 15 | " Bills Pay. | 117 | 600 | | " | 25 | " " | 118 | 500 | |
| " | 17 | " Foreman & Reno. | 117 | 500 | | | | | | | |

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Jan. | 28 | To Cash | 119 | 600 | Jan. | 10 | By Mdse. | 117 | 1675 |
| | | | | | " | 15 | " Bills Rec. | 117 | 600 |
| | | | | | " | 17 | " D. Jayne & Son | 117 | 1200 |
| | | | | | " | 19 | " Collins Downing & Co. | 117 | 600 |

DAVID JAYNE & SON, PHILADELPHIA.

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Jan. | 17 | To Bills Pay. 15 days | 117 | 1200 | Jan. | 1 | By Mdse 30 days | 117 | 3500 |

S. THOMPSON & CO., BALTIMORE.

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Jan. | 3 | To Mdse 30 days | 116 | 345 | Jan. | 12 | By Cash | 118 | 200 |

WHITNEY, BAUSERMAN & CO., OMAHA

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Jan. | 15 | To Mdse. 30 days | 116 | 1470 | | | | | |

FOREMAN & RENO, COUNCIL BLUFFS, IA.

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Jan. | 17 | To Mdse. | 116 | 1155 | Jan. | 17 | By Cash | 118 | 400 |
| | | | | | " | 17 | " Bills Rec. 30 days | 117 | 500 |

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 19 | To Bills Pay. 30 days | 117 | 600 | | Jan. | 19 | By Mdse. | 117 | 1750 | |
| " | 19 | " Cash | 119 | 400 | | | | | | | |

## JOHN RILEY, Clinton, Ia.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 28 | To Mdse. 30 days | 116 | 360 | | | | | | | |

## E. T. TAUBMAN, Cedar Falls, Ia.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 29 | To Mdse. 60 days | 116 | 1080 | | | | | | | |

## INTEREST AND DISCOUNT.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 15 | To Cash | 119 | 3 | 30 | Jan. | 28 | By Cash | 118 | 2 | 40 |
| " | 25 | " " | 119 | 2 | 08 | | | | | | |

## EXPENSE.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 31 | To Cash | 119 | 245 | | | | | | | |

## DISCOUNT.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 31 | To Cash | 118 | 24 | 60 | Jan. | 31 | By Cash | 119 | 38 | |

## TO THE STUDENT.

When no place of payment is given, notes and acceptances are payable at the office of the maker or acceptor. If no rate of interest is mentioned they do not draw interest.

Sales and purchases are always entered in the Sales Book and Invoice Book for the amount *after* the trade discount if any, is taken off, but *before* the cash discount is deducted.

Returned goods are to be entered at the original price at which they were bought or sold, less the trade discount, if any.

Since the terms of sale are printed upon our bill heads, no entry of the terms is necessary in the Sales Book unless special terms are made. "Reg." signifies the regular or usual terms as printed upon the bill.

19—

Feb. 1. Sold to Franklin MacVeagh & Co., Chicago, on account, 30 days, 40 boxes Valencia Raisins at $3, $120; 10 sacks Rio Coffee, 1500 lbs., at 20¢, $300; 5 doz. 2 lb. Cove Oysters at $6, $30; 30 brls. Extra Flour at $8, $240; 25 boxes Cheese, 1500 lbs., at 10¢, $150. Total $840.

Enter in the Sales Book and post the entry.

" 1. Sold for Cash to Orrin Reynolds, 5 hhds. N. O. Sugar, 6000 lbs., at 10¢, $***; 40 brls. Apples at $4, $***. Total $***. Less 2% for Cash.

Enter the sale in the Sales Book for the full amount of the sale, and check the entry. Enter the Cash in the Cash Book and check the entry.

" 1. Bought for Cash of A. H. Andrews & Co., 1 set Chairs for office, $12; 1 Desk, $30. Total $42.

Enter in the Cash Book and post to the debit of Fixtures.

" 2. Received Cash of S. Thompson & Co. in full, $***.

Enter in the Cash Book and post the entry.

" 3. Paid Cash for my Acceptance of the 16th ult., favor of David Jayne & Son, $****.

Enter in the Cash Book and post to the debit of Bills Payable.

" 5. Bought of Brown & Gorham, New York, 500 boxes Valencia Raisins at $3, $****; 400 boxes Sicily Oranges at $5, $****; 6 casks Turkish Prunes, 5000 lbs., at 12¢, $***. Total $****. Gave in payment my Note at 60 days, $1500; Cash, $1000. Balance on account, 90 days, $****.

Enter the purchase in the Invoice Book, the Cash in the Cash Book and post the entries. Journalize the Note, debiting Brown & Gorham and crediting Bills Pay. and post the entry. Enter the Note in Bill Book.

" 5. Paid Cash for David Jayne & Son's Draft on me at sight, $1000.

Enter in the Cash Book and post the entry.

" 5. I have drawn Cash for private use, $40.

Enter in the Cash Book and post the entry.

" 6. Received of Franklin MacVeagh & Co. their check on the Continental National Bank in settlement of invoice of Feb. 1st, less 2% cash discount.

Enter the Cash in the Cash Book and post both the Discount and Cash to the credit of the person, post-marking the entry.

" 6. Bought of David Jayne & Son, Philadelphia, terms: 30 days 2% off 10 days; 25 boxes Valencia Raisins, at $3, $75; 50 doz. 3-lb. Canned Peaches at $5.50; $275. Total $350.

Enter in the Invoice Book and post the entry.

19—

Feb. 8. Sold to Adams, Earle & Co., Lafayette, Ind., 6 Casks Turkish Prunes, 5000 lbs., at 15¢, $750; 20 brls. P. R. Sugar, 4000 lbs., at 10¢, $400; 80 doz. 3-lb. Canned Peaches at $5, $400. Total $1550. Received in payment their Note at 30 days, drawing interest at 6%, $500; Cash, $500. Balance on account, 60 days, $550.

Enter the sale in the Sales Book and the Cash in the Cash Book and post the entries. Journalize the Note and post the entry. Enter the Note in the Bill Book.

" 8. Received Cash of Whitney, Bauserman, & Co. in full, $****.

" 10. Sold to John White, on his Note at 30 days, drawing 6% interest, 50 boxes Valencia Raisins at $4, $***; 100 boxes Sicily Oranges at $7, $***; 30 doz. 1-lb. Cove Oysters at $3, $**. Total $***.

Enter the sale in the Sales Book and check the entry. Journalize the Note. Check the Mdse. part of the Journal entry and post the debit item. Enter the Note in the Bill Book.

" 11. Remitted to David Jayne & Son, Philadelphia, New York Exchange in settlement of invoice of the 6th inst. less Cash discount.

Enter the Cash in the Cash Book and post both the Cash paid and discount to the debit of the person, post-marking the entry.

" 11. Paid Cash for Drayage on Merchandise, $25.

Enter in the Cash Book and Invoice Book, and check the entries.

" 12. Paid Cash for Note No. 1, favor of William Smith, now due, $****.

Enter in the Cash book and post to the debit of Bills Payable.

" 12. Sold to Whitney, Bauserman & Co., Omaha, on 30 days, 2% 10 days, 10 boxes Valencia Raisins at $4, $40; 25 doz. 3-lb. Canned Peaches at $6, $150. Total $190.

Enter in the Sales Book and post the entry.

" 13. Bought of E. R. Lewis & Co., on my Note at 30 days, 6% interest, 10 sacks O. G. Java Coffee, 1400 lbs., at 40¢, $***; 5 sacks Mocha Coffee, 695 lbs., at 45¢, $***.**; 5 sacks Costa Rica Coffee, 681 lbs., at 31¢, $***.**; 5 sacks Maracaibo Coffee, 675 lbs., at 31¢, $***.**; 5 sacks Singapore Java Coffee, 673 lbs., at 34¢, $***.**; 30 kits No. 1 Mackerel at $2.25, $**.**; 40 brls. Labrador Herring at $7, $***; 50 boxes No. 1 Herring at 25¢, $**.**. Total $****.**.

" 13. Received Cash of Foreman & Reno, in full, $***.

" 14. Paid Cash for Insurance on Merchandise, $75.

Enter in the Cash Book, also in the Invoice Book and check the entries. Where an Insurance account is kept, it should be debited with this amount instead of Mdse.

" 14. Sold to J. Williams & Co., 40 brls. Labrador Herring at $8, $320; 5 sacks Mocha Coffee, 695 lbs., at 50¢, $347.50; 30 kits No. 1 Mackerel at $3, $90. Total $***.**. Received in payment, 20 doz. 2-lb. Canned Pears at $2.25, $45; 15 doz. 2-lb. Canned Cherries at $3, $45; 25 doz. 2-lb. Canned Raspberries at $3, $75; 25 doz. 2-lb. Canned Tomatoes at $1.80, $45. Total $***. Check on Ninth National Bank for Balance, $***.**. Less 2% on balance for Cash.

Enter the sale in the Sales Book and check the entry. Enter the goods received in the Invoice Book, the Check in the Cash Book, and check the entries.

" 17. Renewed with interest for 30 days, my Note dated on the 15th ult., in favor of John Dale, now due, $***; Interest at 6% added in face of new Note, $*.**. Total $***.**.

Make a Journal entry debiting the old Note and Interest and Discount and crediting the new Note. Enter the new Note in the Bill Book. Opposite the old Note in column "When and How Redeemed of," write date, and "*Renewed 30 days.*"

19—

Feb. 17. Bought of Henry Wilson & Co., 15 sacks of Costa Rica Coffee, 2043 lbs., at 31¢, $633.33; 50 brls. Extra Flour at $9, $450; 20 brls. N. O. Sugar, 5000 lbs., at 10¢, $500; 25 doz. 2-lb. Canned Peaches at $2.50, $62.50; 10 kits No. 1 Mackerel at $2.25, $22.50. Total $****.**. Gave in payment my Note at 30 days, $300; 5 sacks Costa Rica Coffee, 675 lbs., at 35¢, $***.**; 5 sacks Singapore Java Coffee, 673 lbs., at 37¢, $***.**; 10 sacks O. G. Java Coffee, 1400 lbs., at 45¢, $***. Total $****.**. Check on First National Bank for balance, $***.**. Less 2% cash discount on the balance.

Enter the purchase in the Invoice Book, the sale in the Sales Book, and the Cash in the Cash Book, and check the entries. Journalize the Note, debiting Mdse. and crediting Bills Pay. Check the Mdse. and post the Bills Payable item. Enter the Note in the Bill Book. In working this transaction according to the price lists it may be that the Cash is *received* instead of *paid*.

" 17. Received of Whitney, Bauserman & Co., Omaha, Draft on New York, in payment for goods purchased of us on the 12th inst., less the cash discount of 2% for payment within 10 days.

Enter in the Cash Book and post both the discount and the net amount.

" 18. Received from the executors of the estate of a deceased relative, as a bequest, Cash, $1000; House and Lot, 75 Main St., valued at $1500. Total $2500.

Enter the Cash in the Cash Book and post the entry. Make a Journal entry for the House and Lot and post the entry.

" 19. Shipped to Robert Moore, Boston, to be sold on my account and risk, 25 brls. White Fish at $9, $***; 50 brls. No. 1 Mackerel at $10, $***. Total $***.

Enter in the Sales Book and post to the debit of Shipment to Robert Moore, Boston.

" 19. Bought of John B. Sherwood, on account, 20 yds. Matting for Office at $1, $**.

Make a Journal entry, debiting Fixtures.

" 20. Bought of Cameron, Amberg & Co., on account, 1 set of Blank Books, $25.

Make a Journal entry, debiting Expense.

" 21. Paid Cash to Geo. B. Davis, for repairs of House No. 75 Main St., $50.

Debit House and Lot, 75 Main St.

" 21. Paid Cash to Collins, Downing & Co., in full, $***.

" 21. Sold to Foreman & Reno, Council Bluffs, Ia., on 60 days, 2% off 10 days, 10 boxes Valencia Raisins at $4.25, $42.50; 25 doz. 3-lb. Canned Peaches at $6.25, $156.25. Total $198.75.

" 24. Bought of J. G. Harvey & Co., 10000 lbs. Bacon at 10¢, $****; 20 brls. P. R. Sugar, 5000 lbs., at 10¢, $***; 25 brls. Labrador Herring at $7, $***. Total $****. Gave in payment Check on First National Bank, $475. Note at one month for balance, $****.

Enter the purchase in the Invoice Book, the Check in the Cash Book and check the entries. Journalize the Note and enter it in the Bill Book.

" 25. Received from Robert Moore, Boston, an Account Sales of goods shipped to him on the 19th inst. Net proceeds, $785.30.

Make a Journal entry, debiting the consignee.

" 25. Sold to Milton, Chapin & Co., Sioux City, Ia., on 30 days' credit, 10 brls. P. R. Sugar, 2500 lbs. at 11¢, $275; 5 sacks Maracaibo Coffee, 681 lbs. at 33¢, $224.73. Total $499.73.

" 25. Sold and shipped C. O. D. to L. Murrin & Co., Cheyenne, W. T., 1 case 2-lb. Canned Peaches, 2 doz. at $4, $8.

Enter in the Sales Book, writing C. O. D. after the name and address, and post the entry, making the same distinction in the Ledger.

19—

Feb. 26. Sold for Cash at ¼% premium, my draft at sight on Robert Moore. Face of Draft, $785.30; premium $2. Total $***.**.

Enter in the Cash Book, crediting the person on whom the Draft was drawn, for its face, and crediting Premium for what it has produced.

" 26. Sold to C. J. Bishop, 100 boxes Valencia Raisins at $4, $***; 10 kits No. 1 Mackerel at $3, $**; 10 brls. P. R. Sugar, 2500 lbs., at 12¢, $***; 25 brls. Labrador Herring at $9, $***; 100 boxes Sicily Oranges at $6, $***. Total $****. Less 2% per cent Cash discount. Received in payment my Note dated on the 24th inst., at 1 month, favor of J. G. Harvey & Co., for $****; Discount from face of same, 1%, $**. Cash for balance, $***.

Enter the sale in the Sales Book and check the entry. Make a Journal entry for the Note and Discount, making Bills Payable Dr. to Sundries, and crediting Interest and Discount and Mdse. Check the Mdse. item and post the others. Enter the Cash in the Cash Book and check the entry.

" 27. Received Cash by American Express Co. from John Riley, Clinton, Ia., for amount of his account, $***. Paid Cash for Express Charges on same, $1.

Enter in the Cash Book, crediting the person of whom received with the amount, less the Express Charges.

" 28. Received from the United States Express Co., 5 doz. 2-lb. Cove Oysters at $6, $30, damaged and returned by Franklin MacVeagh & Co., Chicago. Paid Cash for Express Charges on same, $1.25.

Enter both the Mdse. and Cash in the Invoice Book, making two entries; post the Mdse. to the credit of the persons returning it, and check the Cash entry: also enter the Cash in the Cash Book and check the entry.

" 28. Remitted to Franklin MacVeagh & Co. my Check on First National Bank to cover damaged goods returned by them, $**. Less 2% Cash discount.

Enter in the Cash Book and post the entry.

" 28. Received of Foreman & Reno, Council Bluffs, Bank Draft in settlement of our Invoice of 21st inst. less Cash discount.

" 28. Discounted at the First National Bank, Note No. 1, due March 12, $650. Discount at 8% per annum, for 12 days, $1.73. Proceeds received in Cash, $***.**.

Enter in the Cash Book and post the entries.

" 28. Received of Collins, Downing & Co., Boston, with invoice, 10 brls. White Fish at $10, $***; 10 sacks Rio Coffee, 1500 lbs. at 25¢, $***; 50 boxes Sultana Raisins at $4, $***; 10 brls. Mess Pork at $12, $***; 5 brls. Apples at $3, $**. Total $***. Paid Cash for Freight and Drayage on the same, $15.

Enter the purchase and the Freight and Drayage in the Invoice Book, making two entries. Post one and check the other. Enter the Cash in the Cash Book.

" 28. Sold to Israel Putnam 25 brls. Extra Flour at $10, $250; 10 brls. N. O. Sugar, 2500 lbs. at 11¢, $275; 23 doz. 2-lb. Canned Peaches at $3, $69; 5000 lbs. Bacon at 11¢, $550; 100 boxes Valencia Raisins at $4, $400; 100 boxes Sicily Oranges at $6, $600. Total $****. Received in payment a Note at 3 months, dated Dec. 30, made by Daniel Drew, in favor of Israel Putnam and by him endorsed, bearing 8% interest. Face of Note, $1000; Interest accrued to date, $**.**; his Draft at 10 days' sight on Sheldon & Co., accepted on the 25th inst., $500; his Draft at sight on Henry Clews, $300; his Note at 1 month, for balance, $***.**.

Enter the sale in the Sales Book and check the entry. Journalize the Note, time Draft and interest items, debiting each and crediting Mdse. Post the debits and check the Mdse. Enter the Note and time Draft in the Bill Book. Enter the sight Draft as Cash in the Cash Book and check the entry.

19—

Feb. 28. I have this day drawn a Draft at sight on E. T. Taubman, Cedar Falls, Ia., and have sent the same to Bank for collection, $1000.

Drafts drawn for collection are not usually entered until paid.

" 28. Paid Cash for Rent of store for February, $125; Clerk hire to date, $120. Total $245.

" 28. Remitted to Collins, Downing & Co. Exchange on Boston in payment of their Invoice received this day, less Cash discount, 2%.

INVENTORY OF PROPERTY UNSOLD, FEBRUARY 28, 19—.

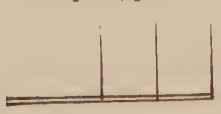
| | | | |
|---|---|---|---|
| 15 sacks Costa Rica Coffee, 2043 lbs., | @ | 31¢ | $****.** |
| 25 brls. Extra Flour, | @ | $7.00 | ***. |
| 10 " N. O. Sugar, 2500 lbs., | @ | 10¢ | ***. |
| 5000 lbs. Bacon, | @ | 10¢ | ***. |
| 250 boxes Valencia Raisins, | @ | 3.00 | ***. |
| 100 " Sicily Oranges, | @ | 5.00 | ***. |
| 10 brls. White Fish, | @ | 9.00 | **. |
| 10 sacks Rio Coffee, 1500 lbs., | @ | 20¢ | ***. |
| 50 boxes Sultana Raisins, | @ | 4.00 | ***. |
| 10 brls. Mess Pork, | @ | 12.00 | ***. |
| 5 " Apples, | @ | 3.00 | **. |
| 50 boxes No. 1 Herring, | @ | 25¢ | **.** |
| 20 doz. 2-lb. Canned Pears, | @ | 2.25 | **. |
| 15 " " " Cherries, | @ | 3.00 | **. |
| 25 " " " Raspberries, | @ | 3.00 | **. |
| 25 " " " Tomatoes, | @ | 1.80 | **. |
| | | | $*****.** |
| Fixtures valued at | | | 60. |
| House and Lot, 75 Main St., valued at | | | 1500. |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $12073.96 |
| Bills Receivable on hand, | 3320.67 |
| Bills Payable outstanding | 4285.23 |
| Personal Accounts owing me | 2138.73 |
| Personal Accounts I owe, | 2945. |
| (Student's) Net Capital at closing, | 15618.96 |

## ENTRIES AND ACCOUNTS CONTINUED.

At least two lines should always be left at the bottom of every page in the principal books of a set for rulings and footings. It will often happen that a portion of a large bill in the Sales Book must be carried over to the next page for want of space. In such case, write as much of the bill as possible to within two lines of the bottom of the page. Foot up this portion of the bill and place the total in the item column, thus:



Amt. forw'd. 117 15 3625

Carry forward both footings to their respective columns at the top of the next page, and on the first line opposite these amounts, write the name of the purchaser and the word "Continued."

In carrying forward totals of a Cash Book or Ledger account, use the same method except instead of the name of an individual and "continued," use the expression "Am't for'd."

In case of change in firm name of a customer, do not continue to post under the old heading, nor change the heading, but balance and rule up the account. Then immediately below the rulings, in the centre of the page, write, "Succeeded by" and directly below this the new firm name. Now bring down the balance, from the old account under the new heading, and you are ready to continue.

19—

March 1. Paid Cash for postage stamps, $10.

" 1. Sold to J. B. Floyd, 5 brls. Apples at $2, $**. Received in payment his sight order on J. M. Phillips for the amount. Less 2% Cash discount.

Enter the order as Cash.

" 1. Sold to Samuel Winslow, 15 sacks Costa Rica Coffee, 2043 lbs., at 25¢, $510.75; 10 brls. Mess Pork at $10, $100; 10 brls. White Fish at $8, $80; 5000 lbs., Bacon at 8¢, $400; 25 brls. Extra Flour at $8, $200; 10 sacks Rio Coffee, 1500 lbs., at 20¢, $300. Total $****.**. Less 2% Cash discount. Received in payment my Note favor of Henry Wilson & Co., given on the 17th ult., for $***; Discount on the same at 8% for 21 days, $*.**; A. J. Cole's Note, dated Nov. 20, 18—, at 6 months, Winslow's favor, and by him endorsed, with interest at 6% from date. Face of Note, $500; Interest accrued to date, $8.42. Cash for balance, $***.**.

Enter the sale in the Sales Book and check the entry. Journalize the Notes, receivable and payable, Discount and Interest, using Mdse. to balance the Journal entry, and checking the Mdse. item. Enter the Note receivable in the Bill Book and record the Note payable as redeemed.

" 1. Sold to R. M. Smith & Co., Lancaster, Pa., on account, 50 boxes Sultana Raisins at $3, $***.

" 1. Discounted at First National Bank, Note No. 5. Face of Note, $990; Interest on same to maturity, 6%, $*.**. Total $***.**. Discount off at 8%, 14 days, $*.**. Net proceeds, $***.**, received in Cash.

" 3. Received Cash for returns of Draft drawn on the 28th ult., and sent for collection on E. T. Taubman. Have deposited the same in the First National Bank. Face of Draft, $1000; Collection and Exchange, 50¢. Proceeds, $***.**.

Enter in the Cash Book and post to the credit of the person of whom collected. Open an account with Exchange.

" 3. Received Cash of J. M. Phillips for J. B. Floyd's order on him, $9.80.

As the order was entered as Cash when it was received, no entry can be made of it now.

" 3. Milton Chapin & Co. claim a deduction of 3 cents per lb. on 681 lbs. Maracaibo Coffee, sold to them on the 25th ult., which I have allowed, $**.**.

Enter in the Invoice Book.

" 4. Received Cash of the Express Co. for a bill of goods shipped C. O. D. to L. Murrin & Co. on the 25th ult., $*.

" 4. Sold for Cash to Knowles, Cloyes & Co., 20 doz. 2-lb. Canned Pears at $3, $**; 15 doz. 2-lb. Canned Cherries at $4, $**; 25 doz. 2-lb. Canned Raspberries at $4, $***; 25 doz. 2-lb. Canned Tomatoes at $3, $**. Total $***. 10 and 5 off, $**.**. Net amount, $***.**. Less 2% Cash discount.

Enter the sale in the Sales Book for the amount *after* deducting the trade discount but ***before*** deducting the Cash discount.

" 4. Borrowed Cash of the First National Bank, and gave my Note, dated on the 28th ult., at 30 days. Face of Note, $1000; Discount at 6%, 29 days, $*.**. Proceeds received in Cash, $***.**.

" 5. R. M. Smith & Co. owe me on account; J. L. Roberts assumes the same, which I charge to his account, $***.

Make a Journal entry debiting the person who assumes the account, and crediting the persons thereby released, and post the entry.

" 5. John Riley has remitted by mail, Cash to close his account, $1.

" 5. Refunded Cash to Knowles, Cloyes & Co., as an abatement on 20 doz. Canned Tomatoes, damaged, $10.

Enter in the Invoice and Cash Books.

19—

March 6. Sold to Curtis & Blake, Winona, Minn., on account 30 days, 10 brls. N. O. Sugar, 2500 lbs., at 9¢, $***; 50 boxes No. 1 Herring at 20¢, $**; Drayage, $1. Total $***.

Drayage is not really a sale, but the amounts usually being small, are entered the same as goods sold.

" 6. Lost by robbery last night, 5 boxes Valencia Raisins.

Make no entry.

" 6. Borrowed Cash of John Hayes, for which I gave my Note dated the 1st inst. at 3 months, with Interest at 6% added. Received Cash $600; Interest added, $*.**. Face of Note, $***.**.

Enter the Cash in the Cash Book for the face of the note and post the entry. Also enter the Interest in the Cash Book and post the entry. Enter the note in the Bill Book.

" 6 Received an invoice of goods shipped by Cross & Blackwell, London, England, on the 15th ult., at 60 days, as follows:

| | £ | s. | d. |
|---|---|---|---|
| 20 doz. Pint Pickles at 6s. 7d. | 6 | 11 | 8 |
| 40 " Quart " at 12s. | ** | 0 | 0 |
| 25 kegs Pickled Onions at £1, 6s. | ** | ** | 0 |
| 25 doz. Chow Chow at 12s. 6d. | ** | ** | * |
| 20 cases French Mustard at 6s. 6d. | * | ** | 0 |
| 50 doz. Tomato Catsup at 8s. 4d. | ** | ** | * |
| | *** | 0 | ** |

Amount of invoice in U. S. money at $4.86 per £, $***.**. Paid Duties in Cash, $144.99; also paid Cash for Freight and Drayage, $23.50. Total $168.49.

Duties, Freight, and Drayage should always be entered in the Invoice Book.

" 7. Brown & Gorham have allowed a rebate on Oranges damaged, bought on the 5th ult., $50.

Enter in the Sales Book and Post to the debit of the persons of whom the goods were bought.

" 7. Adams, Earle & Co. have remitted Draft on New York to close their account, $***.

Enter in the Cash Book and post the entry.

" 8. Discounted Note No. 8 at First National Bank, due 31st inst. Face of Note, $330.67. Discount off 23 days at 8%, $*.**. Cash received, $***.**.

Enter in the Cash Book and post the entries.

" 9. Sold to F. W. Brune & Co., 20 doz. Pint Pickles at $2, $**; 40 doz. Quart Pickles at $3.50, $***; 20 cases French Mustard at $2, $**; 245 boxes Valencia Raisins at $3, $***. Total $***. 10 and 5 off, $***.*8. Less 2% cash discount. Net amount, $***.**. Received in payment their Draft at 10 days' date, dated on the 8th inst. on G. W. Gail & Ax, accepted $500. Their sight Draft on Thomas Winans, for balance, $***.**.

Enter the sale in the Sales Book and check the entry. Journalize the time draft, using Mdse. to balance the entry and checking the Mdse. item. Enter the sight draft as Cash in the Cash Book and check the entry.

" 10. Bought of G. W. Gail & Ax, 200 1-lb. pkgs. S. M. Smoking Tobacco at 25¢, $50; 100 2-lb. pkgs. S. M. Smoking Tobacco at 28¢, $56; 40 5-lb. pkgs. S. M. Smoking Tobacco at 30¢, $60; 2000 1-lb. pkgs. Killikinick Smoking Tobacco at 50¢, $1000. Total $****. Less 2% cash discount. Gave in payment their Acceptance due on the 21st inst., $500. Discount allowed on same 8%, $1.22. A. J. Cole's Note, which I have endorsed, dated Nov. 20, 18—, at 6 months for $500. Interest on same at 6% from date, $9.17. Cash for balance, $***.**.

Enter the purchase in the Invoice Book and check the entry. Make a Journal entry for the Note, Acceptance, Discount and Interest, and post the entry. Enter the Cash in the Cash Book and check the entry.

19—

March 10. Sheldon & Co., who are indebted to me on their Acceptance now due, $500, have failed and compounded at 50%. Received in Cash, $250; the balance lost, $250.

Enter in the Cash Book, and post to the credit of Bills Receivable. Make a Journal entry of the amount lost, debiting Profit and Loss, and crediting Bills Receivable, and post the entry.

" 11. Accepted Brown & Gorman's Draft on me at 5 days, $500.

" 11. Paid Cash for the recovery of goods stolen on the 6th inst., $5.

Enter in the Invoice and Cash Books.

" 11. Loaned Cash to Simon Baker to be returned in 5 days, $100.

Enter in the Cash Book and post to the **debit** of the person to whom loaned.

" 11. Sold to William Barlow, 25 kegs Pickled Onions at $6, $***; 25 doz. Chow Chow at $3, $**; 50 doz. Tomato Catsup at $2, $***. Less 2% cash discount. Total $***. Received in payment Check on the Ninth National Bank for $100; his sight order on J. Reed & Co. for balance, $***.**.

Enter in the Sales Book and check the entry. Enter the Draft and Order as Cash in the Cash Book and check the entries.

" 12. Returned to Brown & Gorham, New York, 50 boxes Sicily Oranges at $5, $***; paid Cash for Drayage on same, $1.

Enter the Mdse. in the Sales Book, the Cash in the Cash Book, and post to the debit of the persons to whom the goods were returned.

" 13. William Barlow's Check on the Ninth National Bank for $100, and his order on J. Reed & Co. for $***.** have both been returned unpaid.

Enter in the Cash Book and debit William Barlow.

" 13. Robert Warren's Note, dated Jan. 8, at 60 days, for $650, discounted at First National Bank, has been protested for non-payment and returned to me, which I have paid with protest fee, in Cash. Face of Note, $650; protest fee, $1.75. Total $***.**.

Enter in the Cash Book, debiting the maker of the Note for the amount paid, and post the entry.

" 13. Received of Adams, Earle & Co., their draft on New York for their Note, now due. Face of Note, $***; Interest on same 33 days at 6%, $*.**. Total $***.**.

Enter in the Cash Book and post the entry.

" 15. Sold to John Gilman & Co., 50 boxes Sicily Oranges at $4, $***; 200 1-lb. pkgs. S. M. Smoking Tobacco at 30¢, $**; 100 2-lb. pkgs. S. M. Smoking Tobacco at 28¢, $**; 40 5-lb. pkgs. S. M. Smoking Tobacco at 30¢, $**; 2000 1-lb. pkgs. Killikinick Smoking Tobacco at 50¢, $****. Total $****. Less 2% cash discount. Received in payment my Note, favor of John Hayes, due June 4, $609.30; Discount on same 6%, 81 days, $*.**; a Note made by Adam Smith, dated on the 10th inst. at 3 months, their favor for $700; Discount on the same 8%, 90 days, $**; a certified Check for the balance, $**.**.

Enter the sale in the Sales Book and check the entry. Journalize the Note receivable, Note payable and Discount and post the entries. Enter the check in the Cash Book and check the entry.

" **16.** Bought of Kirkland, Chase & Co., 25 boxes Messina Lemons at $7.50, $***.**; 25 boxes Malaga Lemons at $7, $***; 500 Carthagenian Cocoanuts at $9 per hund., $**; 300 Baracos Cocoanuts at $7 per hund., $**; 5 casks Zante Currants, 1275 lbs., at 8¢, $***. Total $***.**. 5% off, $**.**. Net amount of invoice, $***.**. Less 2% cash discount. Paid Cash for freight and charges, $15. Gave in payment my Check on First National Bank in full.

Enter the purchase and the Freight and Charges in the Invoice Book and check the entries. Enter both items of Cash in the Cash Book separately and check the entries.

19—

March 16. William Barlow having failed, remits in Cash the amount of his Check on the Ninth National Bank, given on the 11th inst. and dishonored, $100. His order on J. Reed & Co. of same date is lost, $218.50.

Enter in the Cash Book and credit William Barlow for the amount received. Then close his account into Profit and Loss with red ink, and rule it up.

" 17. Bought for Cash of Henry Clews, a set of Exchange on London, and remitted the same to Cross & Blackwell to close account. Amount of invoice, $515.36; less 5% cash discount, $25.77. Net, $***.**. Face of Draft, £100, 14s. 9½d. Exchange on London at 1% premium, $4.89.

" 17. Discounted Note No. 5, favor of Brown & Gorham, due April 9, for $****. Discount off 23 days at 6%, $*.**. Proceeds paid in Cash, $****.**.

Enter in the Cash Book and post the entries.

" 18. Paid Cash to E. R. Lewis & Co. for Note No. 6, now due. Face of Note, $****.**. Interest at 6%, $**.**. Total $****.**.

Enter in the Cash Book and post the entry.

" 18. Received Cash of John McGee for 1 month's rent of House, 75 Main Street, $50.

Enter in the Cash Book and post to the credit of House and Lot 75 Main Street.

" 19. Paid for my acceptance of 11th inst., favor Brown & Gorham, now due, per Check on the First National Bank, $500.

" 20. Shipped to Matthew Simpson, Philadelphia, to be sold on joint account of himself and myself, each one half, 25 boxes Messina Lemons at $6, $***; 25 boxes Malaga Lemons at $5.50, $***.**; 5 casks Zante Currants, 1200 lbs., at 8¢, $**. Total $***.**. Drew a Draft against the above Shipment, with B/L attached, and have sent the same to Bank for collection, $100.

Enter the Mdse. shipped in the Sales Book, stating the conditions on which it was shipped, and check the entry. Make a Journal entry debiting Shipment to Matthew Simpson, Philadelphia, and Matthew Simpson, each for one-half, and crediting Mdse. Check the Mdse. and post the debit items. Make no entry for the Draft until collected.

" 20. Paid Cash to Cameron, Amberg & Co., in full, $25.

Enter in the Cash Book and post the entry.

" 20. The following persons owe me on account, which I have closed into Suspense: Simon Baker, $100; J. L. Roberts, $150.

Open a Suspense Account in the Ledger. Close with red ink these accounts, transfer them to Suspense Account, and rule them up.

" 20. Bought for Cash at auction 5000 lbs. Bacon at 10¢, $***, and sold the same to Samuel McCartney, St. Louis, on account at 11¢.

Enter the purchase in the Invoice Book, the Cash in the Cash Book, and check the entries. Enter the sale in the Sales Book and post the entry.

" 20. Sold to Henry E. Brown, per order from L. Murrin, Cheyenne, W. T., 500 Carthagenian Cocoanuts at $8 per hundred, $**.

Enter in the Sales Book and check the entry. Make a Journal entry debiting the person who drew the order, and crediting Mdse. Check the credit item and post the debit.

" 21. Curtis & Blake, Winona, Minn. who are indebted to me $***, have failed and compromised at 40¢ on the dollar. Received in Cash, $**.**. The balance lost, $***.**.

Enter the Cash in the Cash Book and post to the credit of the persons who failed. Make a Journal entry of the amount lost, debiting Profit and Loss, and crediting the persons who failed, and post the entry. Or this transaction may be disposed of as on the 16th inst.

19—

March 21. Simon Baker, whose account was closed into Suspense, has remitted the amount in Cash, $100.

Enter in the Cash Book and post to the credit of Suspense.

" 22. Paid Cash for Note No. 7, now due, $***.**.

" 22. Sold for Cash, Postage Stamps, 24¢.

" 22. Paid John B. Sherwood Cash in full of his account, $**.

" 22. Discounted at First National Bank, Daniel Drew's Note, No. 6, due April 2. Face of Note, $1000; Interest on same to maturity, $**.**. Discount off 11 days at 6%, $*.**. Proceeds received in Cash, $****.**.

Enter in the Cash Book and post the entries.

" 25 Received Cash of Robert Warren for his Note, due on 12th inst., and protest fees, $***.**.

As this Note and Protest Fees have been charged to Robert Warren, he must now be credited.

" 25. J. L. Roberts, whose account was closed into Suspense, has failed indebted to me, $***, and the amount is lost.

Make a Journal entry debiting Profit and Loss and crediting Suspense.

25. The Draft on Matthew Simpson drawn on the 20th inst., and sent through the bank for collection, has been paid, $100, and amount, less 50¢ collection fee, placed to my credit at First National Bank.

" 25. Received Cash by the U. S. Express Co. from E. T. Taubman, to balance account, $**.

In using the price lists it may be necessary to *pay* this balance, instead of *receiving* it.

" 27. Sold for Cash to Richard Edwards, 300 Baracos Cocoanuts at $6 per hund., $**. Less 2% cash discount.

" 28. Sold for Cash to Timothy Wright, House and Lot 75 Main Street, $1600.

Enter in the Cash Book and post the entry.

" 28. Discounted at First National Bank, Adam Smith's Note No. 11, due on June 13, 18—; Face of Note, $700; Discount off 77 days at 6%, $*.**. Proceeds received in Cash, $***.**

" 29. Paid Cash to Brown & Gorham, in full, $***.

" 29. Received of Matthew Simpson, an Account Sales of Merchandise shipped to him on the 20th inst. on joint account. Net proceeds, $350.50.

Make a Journal entry debiting Matthew Simpson and crediting Shipment to Matthew Simpson, Philadelphia, for one-half of net proceeds and post the entry.

" 29. Received Cash by Express from Milton, Chapin & Co., in full of account, $***.**;

" 29. Received of L. Murrin, P. O. Order to close his account, $**.

Enter in the Cash Book and post the entry.

" 29. Paid Cash for Note No. 10, favor First National Bank, now due. Face of Note, $1000.

" 30. Received Cash of Matthew Simpson for amount of his indebtedness to me, $***.

31. Received Cash of Samuel McCartney, in full, $550.

31. Paid Cash to David Jayne & Son, in full, $1300.

" 31. Having closed business, I have sold my Office Furniture for Cash, $50.

" 31. Paid Cash for Rent of Store for past month, $125; Clerk hire to date, $120. Total $245.

## RESULTS.

| | |
|---|---|
| Cash on hand, | $14098.69 |
| (Student's) Net Capital at closing, | 14098.69 |

The following prices may be substituted for those given in the previous transactions, where it is desired to make the calculations for each purchase and sale. Results corresponding with these Price Lists will be found on the following page.

Accuracy in making computations is of the greatest importance in a business office, and the discipline in working out the previous months by these Price Lists will be well worth the labor, to the anxious and industrious learner.

## PRICE LISTS.

| | Buying Prices for Jan., Feb. and March. | | | | | Selling Prices for Jan., Feb., March. | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Articles. | List 1 | 2 | 3 | 4 | 5 | List 1 | 2 | 3 | 4 | 5 |
| Apples | $2.75 brl. | $2.60 | $2.80 | $2.90 | $3.00 | $3.25 brl | $3.10 | $3.30 | $3.40 | $3.50 |
| Bacon | .09 lb. | .10 | .10 | .09 | .11 | .10 lb. | .11 | .11 | .10 | .12 |
| Beef, Mess | 18.00 brl. | 17.00 | 16.00 | 18.00 | 20.00 | 20.00 brl. | 19.00 | 18.00 | 20.00 | 22.00 |
| Catsup, Tomato | 8s. 6d. | 8s 4d | 8s 3d | 8s 10d | 8s 6d | 3.00 doz. | 3.50 | 3.60 | 3.75 | 4.00 |
| Cheese | $0.10 lb. | $0.11 | $0.10 | $0.09 | $0.10 | .11 lb. | .12 | .11 | .10 | .11 |
| Cherries, Canned, 2 lb | 2.75 doz. | 3.00 | 3.00 | 2.80 | 2.50 | 3.00 doz. | 3.25 | 3.50 | 3.30 | 3.00 |
| Chow Chow | 13s. doz. | 13s 4d | 13s | 12s 10d | 12s 8d | 4 00 doz | 4.00 | 4.00 | 4.25 | 4.50 |
| Cocoanuts, Baracos | $6.00 C. | $5.00 | $6.00 | $7.00 | $6.00 | 8.00 C. | 7.00 | 8.00 | 9.00 | 8.00 |
| " Carthagenian | 8.00 C. | 9.00 | 7.00 | 8.00 | 8.50 | 10.00 C. | 11.00 | 9.00 | 10.00 | 10.50 |
| Coffee, Costa Rica | .30 lb. | .32 | .35 | .30 | .31 | .35 lb. | .35 | .40 | .35 | .36 |
| " Maracaibo | .30 lb. | .30 | .32 | .31 | .30 | .35 lb. | .35 | .38 | .36 | .40 |
| " Mocha | .42 lb. | .42 | .45 | .42 | .40 | .45 lb. | .45 | .50 | .50 | .45 |
| " O. G. Java | .40 lb. | .40 | .38 | .42 | .43 | .45 lb. | .50 | .45 | .50 | .48 |
| " Rio | .18 lb. | .18 | .19 | .18 | .20 | .20 lb. | .25 | .24 | .23 | .25 |
| " Singapore Java | .32 lb. | .32 | .30 | .35 | .33 | .35 lb. | .35 | .35 | .40 | .36 |
| Currants, Zante | .07 lb. | .06 | .07 | .07½ | .08 | .09 lb. | .08 | .09 | .10 | .10 |
| Fish, White | 8.00 brl. | 8.50 | 9.00 | 8.00 | 8.75 | 10.00 brl. | 10.50 | 11.00 | 10.00 | 11.50 |
| Flour, Extra | 6.00 brl. | 6.50 | 7.00 | 7.00 | 6.50 | 8.00 brl. | 9.00 | 9.00 | 9.00 | 9.00 |
| " Family | 7.00 brl. | 7.00 | 7.50 | 7.50 | 7.00 | 8.00 brl. | 8.00 | 8.50 | 8.50 | 9.00 |
| Herring, Labrador | 7.00 brl. | 7.50 | 6.75 | 7.00 | 8.00 | 9.00 brl. | 10.00 | 9.00 | 8.00 | 9.00 |
| " No 1 | .15 bx. | .14 | .12 | .15 | .13 | .18 bx. | .16 | .14 | .18 | .20 |
| Lemons, Malaga | 5.75 bx. | 5.00 | 6 00 | 6.50 | 6.25 | 6.50 bx. | 10.00 | 9.00 | 8.00 | 8.00 |
| " Messina | 6.00 bx. | 6.00 | 6.50 | 7.00 | 6 75 | 7.00 bx. | 7.00 | 8.00 | 8.00 | 7.00 |
| Mackerel, No. 1 | 9.00 brl. | 8.50 | 8.75 | 9.00 | 8.50 | 9.00 brl. | 9.50 | 9.50 | 10.00 | 10.00 |
| " " | 2.50 kit. | 2.25 | 2.00 | 2.25 | 2 50 | 3.00 kit. | 3.25 | 3.25 | 3.50 | 3.50 |
| Mustard, French | 6s. 8d. | 6s 7d | 6s 4d | 6s 3d | 6s 10d | 2.00 case | 2.50 | 2.25 | 2.60 | 2.40 |
| Onions, Pickled | £1 4s. | £1 8s | £1 5s | £1 7s | £1 10s | 6.00 keg. | 6.25 | 6 25 | 6.50 | 6.25 |
| Oysters, Cove, 1 lb | $2.50 doz. | $2.75 | $2.80 | $2.60 | $2.40 | 3.00 doz. | 3.25 | 3.40 | 3.00 | 3.00 |
| " " 2 lb | 5.00 doz. | 6.00 | 5.50 | 6.00 | 5.00 | 6.00 doz. | 7.00 | 6.00 | 7.00 | 6.00 |
| Oranges, Sicily | 4.00 bx. | 3.50 | 3.75 | 4.00 | 4.25 | 5.00 bx. | 4.50 | 4.75 | 5.00 | 5.25 |
| Peaches, Canned, 2 lb | 2.50 doz. | 2.25 | 2.50 | 2.60 | 2.80 | 3.50 doz. | 3.25 | 3.00 | 3.00 | 3.40 |
| " " 3 lb | 4.50 doz. | 4.50 | 4.60 | 4.50 | 4.75 | 5.00 doz. | 5.00 | 5.00 | 5.00 | 5.50 |
| Pears, Canned, 2 lb | 2.00 doz. | 2.00 | 1.80 | 1.75 | 2·10 | 2.50 doz. | 2.50 | 2.00 | 2.40 | 2.50 |
| Pickles, Pint | 6s 4d. | 6s 3d | 6s 5d | 6s 10d | 6s 8d | 2.50 doz. | 2.75 | 3.00 | 3.00 | 3.00 |
| " Quart | 13s. | 12s 6d | 12s 10d | 12s 8d | 13s | 3.50 doz. | 4.00 | 3.75 | 4.00 | 4.25 |
| Pork, Mess | $12.00 brl. | $11.00 | $12.00 | $11.50 | $12.00 | 13.00 brl. | 14.00 | 15.00 | 14.00 | 13.00 |
| " Prime | 14.00 brl. | 13.50 | 12.00 | 14.00 | 15 00 | 15.00 brl. | 16.00 | 14.00 | 18.00 | 18.00 |
| Prunes, Turkish | .10 lb. | .10 | .09 | .11 | .12 | .11 lb. | .12 | .11 | .12 | .14 |
| Raisins, Sultana | 3.80 bx. | 3 80 | 3.90 | 3.40 | 4.00 | 4.00 bx. | 4.50 | 5.00 | 5.00 | 5.00 |
| " Valencia | 4 00 bx. | 4.50 | 4.60 | 5.00 | 5.00 | 5.00 bx. | 5.00 | 5.10 | 5.50 | 5.50 |
| Raspberries, Canned, 2 lb | 3.00 doz. | 3.25 | 3.40 | 3.10 | 3.30 | 4.00 doz. | 4.00 | 4.50 | 4.00 | 4.00 |
| Sugar, N. O | .09 lb. | .08 | .07 | .08 | .06 | .10 lb. | .10 | .11 | .09 | .09 |
| " P. R | .08 lb. | .07 | .06 | .08 | .09 | .09 lb. | .09 | .10 | .09 | .08 |
| Tobacco, S. M., Smoking, 1 lb. | .25 lb. | .30 | .35 | .25 | .28 | .35 lb. | .40 | .45 | .35 | .40 |
| " " " 2 lb. | .30 lb. | .30 | .32 | .35 | .38 | .40 lb. | .45 | .48 | .45 | .50 |
| " " " 5 lb. | .32 lb. | .40 | .35 | .37 | .36 | .40 lb. | .48 | .50 | .45 | .45 |
| " Killikinick " 1 lb. | .45 lb. | .48 | .50 | .45 | .42 | .50 lb. | .55 | .60 | .60 | .50 |
| Tomatoes, Canned, 2 lb. | 2.00 doz. | 2.50 | 2.15 | 2.40 | 2.30 | 2.50 doz. | 3.00 | 3.15 | 3.00 | 3.00 |

## RESULTS FOR JANUARY.

| | LIST 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $11839.52 | $12023.27 | $12228.58 | $11971.82 | $12160.47 |
| Bills Receivable on hand | 580.00 | 585.00 | 606.00 | 615.00 | 645.00 |
| Bills Payable outstanding | 3340.00 | 3392.50 | 3440.00 | 3380.00 | 3445.00 |
| Personal Accounts owing me | 3025.00 | 3136.00 | 3234.00 | 3249.00 | 3420.00 |
| Personal Accounts I owe | 2440.00 | 2450.00 | 2557.50 | 2730.00 | 2657.50 |
| (Student's) net capital at closing | 12504.52 | 12685.77 | 12814.08 | 12574.82 | 12928.72 |

## RESULTS FOR FEBRUARY.

| | LIST 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $12820.19 | $13254.74 | $13546.25 | $13280.84 | $13242.06 |
| Bills Receivable on hand | 3057.17 | 3033.92 | 3122.67 | 3120.67 | 3279.87 |
| Bills Payable outstanding | 4239.86 | 4265.48 | 4240.30 | 4287.30 | 4320.50 |
| Personal Accounts owing me | 1741.35 | 1790.85 | 1885.78 | 1857.16 | 2020.20 |
| Personal Accounts I owe | 2595.00 | 2735.00 | 2985.00 | 3435.00 | 3420.00 |
| (Student's) net capital at closing | 16069.25 | 16534.04 | 16909.20 | 16055.77 | 16480.96 |

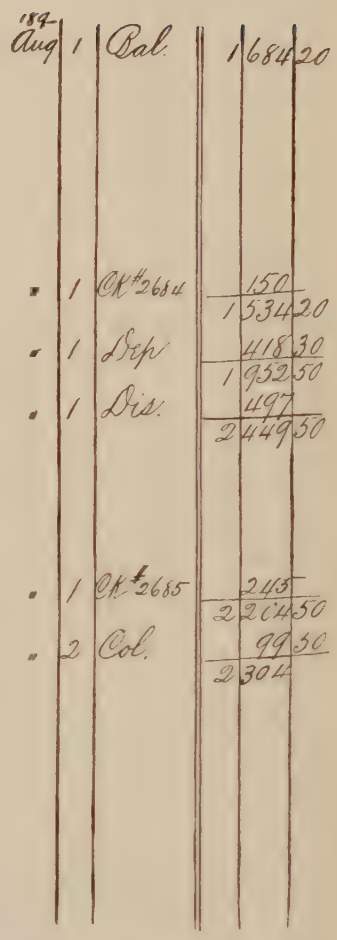
## RESULTS FOR MARCH.

| | LIST 1. | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $15566.62 | $16060.74 | $16536.61 | $15694.94 | $15997.67 |
| (Student's) net capital at closing | 15566.62 | 16060.74 | 16536.61 | 15694.94 | 15997.67 |

## QUESTIONS FOR REVIEW.

1. What is a Sales Book? 2. To which side of the Merchandise Account does the Sales Book correspond? 3. Where is the total footing of the Sales Book posted? 4. Where are the separate sales posted if sold on credit? 5. When do you check an entry in the Sales Book? 6. What are some of the advantages in using the Salesman's Order Blank? 7. What is an Invoice Book? 8. To which side of the Merchandise Account does it correspond? 9. Where is the footing of the Invoice Book posted? 10. Where are the items or individual purchases posted? 11. When do you check an entry in the Invoice Book? 12. What is the advantage in pasting the invoices into a book and posting direct from them? 13. Under what circumstances do you check an entry in the Cash Book in this set? 14. How do you enter Cash Discounts allowed? 15. How do you enter Cash Discounts received? 16. How do you post the footings of the Cash Discount columns? 17. Explain the object and use of a *Returned Goods* book? 18. How are the items in this book posted? 19. How is the total footing posted? 20. What use do you have for the Journal in this set? 21. Is the Journal a book of original entry in this set? 22. Why is it necessary to supply explanations to the Journal entries? 23. What is the use of the Bills Receivable and Bills Payable books in this set? 24. When do you use the column "When and How Disposed Of" in the Bill Book? 25. Suppose you commence business with a capital consisting of cash, where do you make the entry? 26. If you buy a bill of goods on account where do you make the entry? 27. Suppose you sell a bill of goods for cash, where do you make entry? 28. Suppose you sell a bill of goods and receive a note for the amount, where do you make the entry? 29. Suppose you buy a bill of goods and give in payment your note for the amount, where do you make the entry? 30. Suppose you buy a bill of goods and pay cash for the amount, where do you make the entries? 31. Suppose you exchange notes with a person, where do you make the entry? 32. Suppose you have a note in your favor discounted and receive the amount in cash, less the discount, where do you make the entries? 33. What is the object of exchanging notes? 34. Suppose a person draws a draft on you which you accept, where do you make the entry? 35. Suppose you sell a bill of goods, and receive in part payment cash, part payment a note in your favor, and balance on account, where do you make the entries? 36. Suppose you buy a bill of goods and give in part payment cash, part payment your note, and balance on account, where do you make the entries? 37. Suppose you discount your own note, paying cash, less discount, what entries? 38. After the transactions have been properly entered in their respective books what is next to be done? 39. Suppose you buy Office Furniture for cash, where do you make the entries? 40. Suppose you receive a sight draft, where do you enter it? 41. Suppose you pay cash for insurance or merchandise, where you make the entry? 42. Suppose you pay cash for freight or charges on merchandise, what entry? 43. Suppose you have damaged goods returned to you for which you refund cash, what entries?

# Bank Account.




An account with a bank is a great convenience to the business man. It affords him not only a safe and convenient place in which to keep his funds, but also a means of disposing of checks, drafts, money orders and other cash paper received in the daily course of business. These are received by the bank as money and placed to the depositor's credit.

Before opening an account with a depositor, banks usually require some evidence of his character and integrity—usually an introduction by some well known person or firm. After leaving his signature upon the Signature Book, the depositor is provided with a small blank book called a Bank Pass Book, into which will be written, by a clerk of the bank, the record of deposits and withdrawals. No entries should be made in this book by the depositor. Desiring to make a deposit, the depositor fills out a Deposit Ticket, which is a blank slip, giving name of depositor, date, kind and amount of funds to be deposited, places the slip and funds in his Pass Book, and passes the whole to the Receiving Teller, who after examination, deposits the funds in his cash drawer, files the Ticket upon a spindle and enters the amount in the Pass Book, after which it is returned to the depositor.

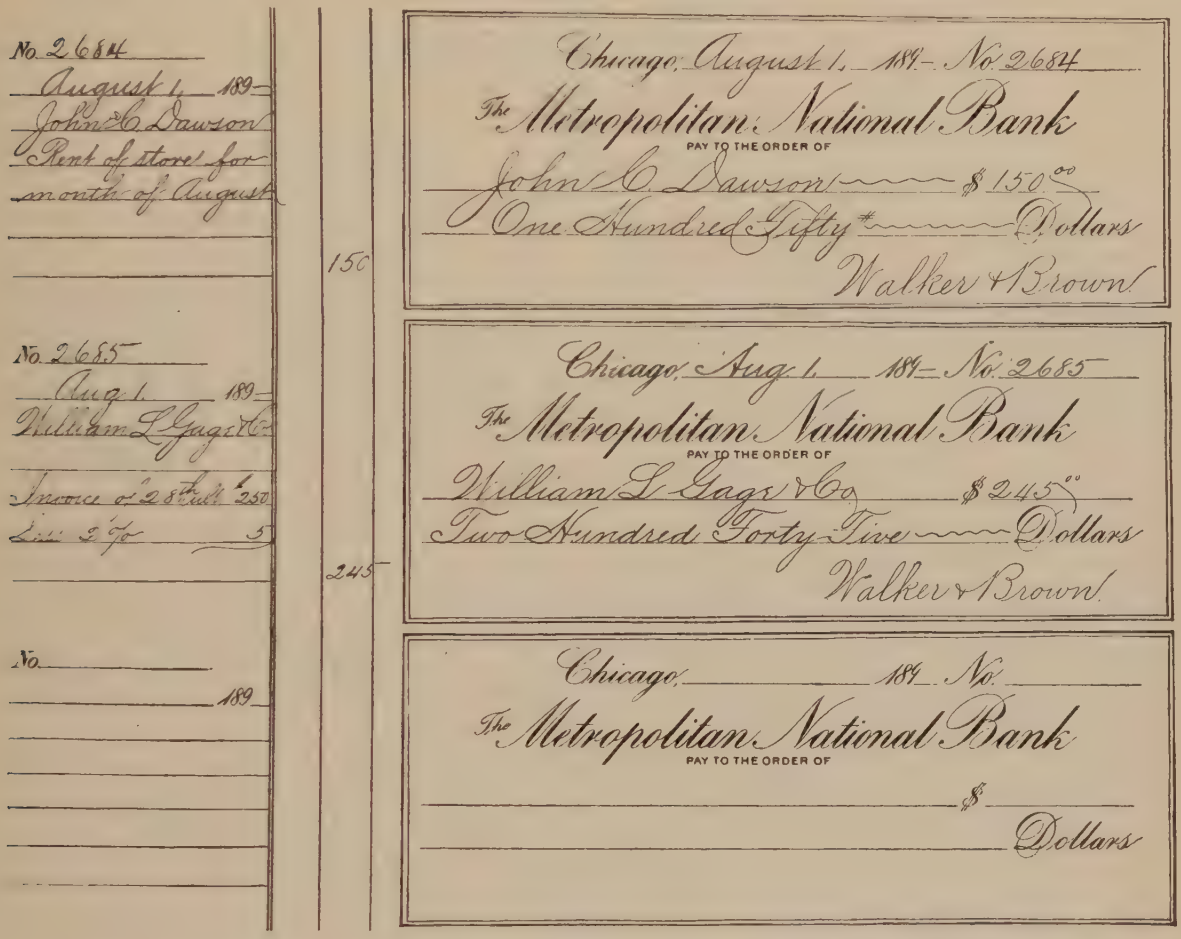
Desiring to withdraw money from the bank the depositor writes his check for the amount. At the end of each month the bank balances the Pass Book and returns it, together with the canceled checks, called "vouchers" to the depositor.

It is necessary that a careful record be kept of the dealings with the bank, and the stub of the Check Book affords a very appropriate place for this record. The left hand page of the stub, which is the reverse side of the previous stub, may be ruled, as shown in the form here given, to record the deposits and the balance in bank, while the right hand page, or face of the stub proper, will contain the record of money withdrawn. When a deposit is made the amount of the deposit should be added to the balance already in the bank, as shown by the stub of the Check Book, and when a check is drawn the amount should be brought directly opposite and deducted from the previous balance. Every entry on the stub of the Check Book should be dated, and some brief explanation used, as "Dep." for deposit, "Ck." for check (also giving the number of the check), "Dis." signifying the proceeds of a note or draft discounted, or "Col." signifying the proceeds of a note or draft collected by the bank and placed to our credit.

Thus in the accompanying form we begin with a balance in bank of $1684.20. On August 1 we withdraw by means of ck. ♯2684, $150, which is deducted from the balance, leaving still in bank the sum of $1534.20. We then deposit $418.30, which is added to the amount before in bank making $1952.50. We have had a note or draft discounted at the bank and the net proceeds, $497, has been placed to our credit. This is entered "Dis." $497, and added to the previous sum, making a balance in bank of $2449.50. Deducting check ♯2685 $245, we have a balance of $2204.50. The bank has collected a note or draft, perhaps for $100, and after

deducting the collection fee, the proceeds, $99.50, is placed to our credit. This is entered "Col." $99.50, and added to the previous balance, etc.

The kind of funds deposited may also be recorded upon the stub if thought desirable. Instead of deducting each check separately from the balance in bank, where checks are numerous, they may be added and carried forward, and the total checks deducted at the end of the day from the amount in bank.




Some book-keepers prefer to keep a Ledger account with the bank, the same as other personal accounts, while others have an extra column in the Cash Book for deposits and checks. Either of these methods entail considerable additional labor, with very slight advantage in return. In case the bank account should by any chance be overdrawn, the balance so overdrawn should be written in red ink on the stub of the Check Book until such time as the overdraft is made up, when it will stand in black ink again. Never close your Cash Book while the bank account is overdrawn (or the credit side is in excess of the debit) unless you wish to record the unbusiness-like act.

## SUSPENSE ACCOUNT.

With almost every firm there are likely to be opened at times accounts with persons, which, having run long past due, are considered not worthless, but doubtful. Not wishing to be encumbered with a number of such accounts on the Ledger, and not feeling disposed as yet to close them into Profit and Loss, but wishing to "keep them alive" on the books, the usual method is to open a Suspense Account, or "Doubtful Account," into which all such accounts are closed from time to time. By this means the book-keeper can see at a glance who are in arrears, and to what amount, without keeping the respective accounts open.

The accounts may be closed into Suspense either by a Journal entry or by a red ink closing entry. The following will illustrate the Suspense account after the accounts have been closed into it:

19— SUSPENSE.

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To J. H. Hammond | 15 | 100 | | 19— Apr. | 60 | By Cash | 140 | 35 | 60 |
| " | 25 | " Amos Duncan | 42 | 280 | | | | | | | | |
| Feb. | 10 | " A. B. Ward | 18 | 35 | 60 | | | | | | | |
| Mar. | 1 | " Simon Johnson | 37 | 140 | | 19— Oct. | 1 | By Profit and Loss | 34 | 75 | |
| Apr. | 10 | " J. D. Sherman | 19 | 75 | | | | | | | | |
| " | 25 | " Robert Livingston | 86 | 184 | 60 | | | | | | | |

When A. B. Ward pays the amount of his debt we credit Suspense, making the entry immediately opposite his name. J. D. Sherman having failed, we credit Suspense by Profit and Loss directly opposite the entry of his name. By leaving a blank line between the debit items, there will be sufficient room to enter more than one credit in case payment is not all made at one time. In taking a Trial Balance, the book-keeper need add only such accounts in Suspense as he sees are not paid. This account is not intended to be closed or ruled up unless it balances.

## C. O. D. ACCOUNT.

Where numerous small packages of merchandise are being constantly sent to distant customers by express C. O. D., to avoid opening numerous accounts with persons with whom no future dealings may occur, it is customary to open what is called a *C. O. D. Account*, and charge the goods sent to this account. Instead, however, of charging this account "To Mdse." as in other cases, the name and address of the person to whom sent must be entered and when returns are received the account is credited directly opposite the charge "By Cash." The following will illustrate the form of a

C. O. D. ACCOUNT.

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Oct. | 10 | John Doe, Detroit | 43 | 9 | 50 | Oct. | 14 | By Cash | 160 | 9 | 50 |
| " | 15 | C. R. Piper, Omaha | 46 | 4 | 25 | | | | | | |
| Nov. | 7 | A. B. Stone, Denver | 67 | 6 | 35 | Nov. | 12 | By Cash | 210 | 6 | 35 |
| Dec. | 2 | A. C. Warren, Newark | 82 | 14 | 20 | | | | | | |

By inspecting this account the book-keeper can see at a glance what items are not heard from, thus enabling him to investigate the cause of delay, and a few moments spent in adding together the unpaid amounts will apprise him of the value of C. O. D.'s still out. This account, like Suspense, is not intended to be closed or ruled up unless it balances.

## MISCELLANEOUS DEBTORS.

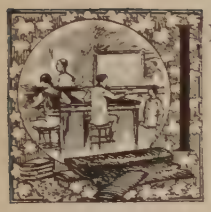
Very similar to the C. O. D. account is that of Miscellaneous Debtors. This account is used to record charges against sundry persons who are not regular customers, but are classed as "friends" of the firm or of the salesmen, and who buy for their personal use. Some record must be kept of such sales, and as memorandums are unsystematic and unsafe, this account is considered preferable. When an item is paid the account is credited opposite the item and when all are paid the account balances and may be ruled up. Some book-keepers keep a small or "Petty Ledger" of these accounts when they are numerous, and a record of the total amount of such accounts in the General Ledger under the head of "Petty Ledger."

# WHOLESALE

## DRY GOODS BUSINESS,

POSTING FROM

## INVOICE BOOK, SALES BOOK AND BILL BOOKS DIRECT TO THE LEDGER.



IN the following set it is proposed to exhibit a method of recording the business of a Wholesale Dry Goods house. Before entering upon an explanation of the books to be kept, it may be well to refer to some features of the business. For the sake of system in handling and selling goods, the business is divided into departments, such as the Woolen Department, Dress Goods Department, Notion Department, etc., and each department is provided with a corps of salesmen called *Department Salesmen.* Over the entire house are employed *General Salesmen,* whose business it is to secure trade for the house, introduce customers to the Department Salesmen, and otherwise promote the sale of goods. General Salesmen are paid a percentage upon the amount of sales which they effect.

After goods have been purchased by a customer in one or more departments of the house they are all collected together in the packing-room, where they are charged up and billed to the customer. This process requires three persons, viz., a *caller,* an *entry clerk* and a *bill clerk.* These three persons work together continuously and are called a *team.* The duty of the caller is to call off the name and address of the customer, as taken from the ticket accompanying the the goods, together with the name, quantity and price of each article. The entry clerk writes the entry in the Sales Book as the items are called to him, and the bill clerk makes the bill, which is a duplicate of the entry in the Sales Book. The goods are then examined and compared with the bill by an "Examiner," and if found correct, are packed and shipped.

## SALES BOOK.

The Sales Book contains the record of all sales as entered by the Entry Clerk. This is a book of convenient size, ruled and kept as shown on page 116. Owing to the size and extent of the business, it is usually necessary to employ several "teams" in order to dispatch the day's business. This necessitates several Sales Books to be in use at the same time. At the close of each day the Sales Books used throughout the house are returned to the office, where they will be posted from by the book-keepers on the following day, while another set goes to the entry clerks for use. Where the business is extensive, three sets of Sales Books are kept in use, alternately by the entry clerks and book-keepers.

The entries in the Sales Book are posted to the debit of the customer's account in the the Ledger, or if sold for cash the entry is checked ✓ and entered upon the Cash Book. The total footing of the Sales Book is carried to the credit of the Merchandise account at the end of the month.

After the Sales Book has been posted from, it is then handed over to the Profit Clerk, whose duty it is to figure the profits on each bill and give the General Salesman credit for his percentage thereon.

## THE INVOICE BOOK.

In this set the Invoice Book will be treated precisely as in the previous set. All purchases of merchandise are entered in this book. If the goods are bought on account the item is posted directly to the credit of the person of whom bought. If a debit of merchandise in this book finds its corresponding credit in some other book without going to the Ledger, then the entry is checked ✓ and not posted. At the end of the month the total of this book is carried to the debit of the Merchandise account.

Usually in the Wholesale Dry Goods business the Invoices are entered by the book-keeper as soon as received, and are then sent to the department in which the goods belong, where they are pasted into the regular form of Invoice Book as shown in the previous set, and kept for reference.

## RETURNED GOODS.

Rebates, Shortages, Damaged and Returned Goods are entered in a Returned Goods Book, the amount posted to the credit of the customer and a receipt or credit memorandum sent to him. In this set all such items will, for simplicity, be entered at once in the Invoice Book.

## CASH BOOK.

All cash transactions will be entered in this book. If a debit or credit of Cash in this book has its corresponding credit or debit in some other book, then check ✓ the entry, otherwise post in the usual manner. Since in the Wholesale Dry Goods business it is customary to both *allow* and *receive* Cash Discounts, it will be necessary to have a Discount column on each side of the Cash Book, as shown on pages 118 and 119. The method of handling Cash Discounts will be the same as in the previous set.

Wholesale houses in Chicago usually keep a bank account in New York, and pay eastern bills by check on New York, thus saving time and securing the Cash Discount. Many large houses doing an importing business keep a deposit in London or Paris, from which they pay European bills. They issue a form of Letter of Credit on their London or Paris Bank to a European house from which they frequently buy, enabling that house to draw the net amount of the Invoice against their Letter of Credit as soon as the goods are shipped. This is similar in all respects to travelers' Letters of Credit. Should any shortage or defect be found in the goods when they are received in America the house is perfectly responsible and will rectify all wrongs.

## BILLS RECEIVABLE AND BILLS PAYABLE BOOKS.

These will contain a record of all notes and drafts received and issued. From these books, entries will be checked ✓ or posted direct to the Ledger, the same as from other books of the set. At the end of the month the total of the Bills Receivable Book will be posted to the debit of the Bills Receivable account in the Ledger and the total of the Bills Payable Book will be posted to the credit of the Bills Payable account in the Ledger. The column "Given For" or "Received For" in the Bill Books, will indicate the account in the Ledger to which the item should be posted.

All entries which, on account of their nature, cannot be entered in any other book, must be placed in the

## JOURNAL,

from which they are carried to the Ledger as heretofore. Beneath each Journal entry a clear and concise explanation should be written, in order to leave no doubt as to the nature of the entry. These explanations should be written in a smaller hand than the entry itself.

## INSTRUCTIONS.

In the following set open no Cash account in the Ledger, but when taking off the Trial Balance, place therein the Cash balance as per Cash Book. Keep an account with Freight, instead of charging these items up to Merchandise. When closing the Ledger close Freight account into Merchandise, after which close the latter account as usual. Post and close the month of April the same as in the previous set. The Balance Sheet should agree with the "Results," as given at the end of the month. Bring down the balances and continue the month of May under the same headings.

### LEDGER HEADINGS.

The following number of lines should be given each account: Chas. W. Hill, 15; Henry A. White, 15; J. W. Howard, 10; Merchandise, 10; Bills Receivable, 12; Bills Payable, 12; J. F. Grable & Son, Wenona, Ill., 8; Burch & Henderson, Boston, 8; Barbour & Brother, Rockford, Ill., 8; Curtis & Fowler, Lafayette, Ind., 8; R. M. Hamilton, Rochester, N. Y., 8; Richards, Shaw & Winslow, Chicago, 8; Brown Bros. & Co., Birmingham, Eng., 8; H. H. Clark & Co., 8; Shipt., Tiffany, Ward & Co., Baltimore, 8; Tiffany, Ward & Co., Baltimore, 8; C. A. Allis, Rockford, Ill., 8; John Shiletto & Co., Cincinnati, 8; Hamilton, Easter & Co., Baltimore, Md., 8; F. W. Bennett & Co., 8; Hamlin, Hale & Co., Chicago, 8; Thompson & Co., Brooklyn, N. Y., 8; Robert Winthrop & Co., Richmond, Va., 8; Flentye & Curran, Chicago, 8; Hopkins, Hill & Co., Rochester, N. Y., 8; Shipt. J. Stewart & Co., Philadelphia, Pa., 8; M. D. Ogden, 8; Shipley & Co., Boston, 8; H. C. Carson, Liverpool, Eng., 8; William T. Harvey & Co., Albany, N. Y., 8; John A. Stewart, 8; Smith & Crittenden, Council Bluffs, Ia., 8; L. H. Wheeler & Co., Milwaukee, Wis., 8; C. B. & Q. R. R. Stock, 8; C. O. D., 8; Fixtures, 10; Freight, 8; Discount, 8; Interest & Discount, 10; Insurance, 8; Exchange, 8; Expense, 20; Profit and Loss, 20.

### TRANSACTIONS.

19—

April 1. Chas. W. Hill and Henry A. White, have this day entered into partnership, for the purpose of conducting the Wholesale Dry Goods business. The articles of agreement provide that Chas. W. Hill is to be allowed a salary of $1200 a year, and Henry A. White a salary of $1000, for their services, parties to share equal in gains and losses.* Chas. W. Hill invests Cash, $20000. Henry A. White invests Cash, $10000; Merchandise per inventory, $9000. Total $19000.

Enter the Cash in the Cash Book and the Merchandise in the Invoice Book and post to the credit of the persons investing.

" 1. Paid Cash for one month's rent of store, in advance, $100.

" 1. Bought for Cash of H. H. Clark & Co., Merchandise per bill, $3000. Less 2% cash discount. Paid Cash for Freight on same, $50.

Enter in the Cash Book and post the last item to the debit of Freight account.

" 1. Sold to J. F. Grable & Son, Wenona, Ill., on account, 60 days net, 1 ps. Black Alpaca, 26 yds. at 70¢, $18.20; 4 doz. Linen Damask Towels at $1.25, $5; 4 ps. Red Flannel, 119 yds. at 35¢, $41.65; 2 ps. Cottonade, 80 yds. at 30¢, $24; 6 doz. Ladies' Linen Cuffs at $3, $18; 5 doz. Ladies' Linen Collars at $1, $5; 10 prs. Ladies' Kid Gloves at $1.75, $17.50; 4 ps. Brown Denim, 149 yds. at 18¢, $26.82; 3 ps. 10-4 Bleached Sheeting, 116 yds. at 43¢, $49.88; 20 doz. Clark's Thread at 75¢, $15; 10 gross Black Hooks and Eyes at 10¢, $1; 5 doz. French Wove Corsets at $6, $30; 6 doz. Leather Belts at $3.50, $21; 10 doz. Thimbles at 20¢, $2; 6 gross Shoe Laces at 50¢, $3; 3 doz. Ladies' Balbriggan Hose at $9, $27; 2 cases and packing, $1.50; Drayage, 50¢. Total $307.05.

" 2. Bought for Cash, set of Blank Books, $25.

" 2. Bought of Burch & Henderson, Boston, on account, Merchandise per bill, $1250.35. The goods are billed to us "30 days net or 10 days less 1%."

*A concise statement like this should be made in the Journal at the beginning of business, setting forth the terms of the co-partnership. The proper entries for the investments of the different partners should be made outside of this statement in the books where they belong.

19—

April 5. Bought of Woods & Lowry, on our Note at 3 months, payable at our office, drawing 6% interest, goods as per bill, $1750.25. Paid Cash for freight and charges on same, $25.

Enter the purchase in the Invoice Book and check the entry. Enter the Note in the Bills Payable Book and check the entry. Enter the Cash in the Cash Book and post to the Freight account.

" 5. Remitted to Burch & Henderson, Boston, our check on New York in settlement of their Invoice of April 2; less cash discount 1%.

" 5. Sold to Barbour & Brother, Rockford, Ill., on account, 30 days net, 5 ps. Blue Denim, 192 yds. at 18¢; 2 ps. Corset Jeans, 82 yds. at 15¢; 3 ps. Cottonade, 116 yds. at 30¢; 6 ps. Brown Cotton Flannel, 213 yds. at 18¢; 2 ps. Irish Linen, 80 yds. at 50¢; 4 doz. Ladies' White Cotton Hose at $4; 3 doz. Children's Cotton Hose at $1.25; 6 doz. Gents' Half Hose at $3; 2 doz. Ladies' Merino Vests at $12; 12 prs. Ladies' Kid Gloves at $1.75; 6 Ottoman Shawls at $5; 3 doz. Linen Damask Towels at $1.25; 4 doz. Ladies' Linen Cuffs at $3; 5 doz. Ladies' Linen Collars at $1; 3 doz. Ladies' Linen Handkerchiefs at $2.50; 4 doz. Linen Napkins at $1.50; 3 ps. Victoria Lawn, 94 yds. at 30¢; 2 ps. Red Flannel, 67 yds. at 35¢; 2 ps. Grey Flannel 69 yds. at 30¢; 10 doz. Coats' Thread at 75¢; 3 M Milward's Needles at $2; 10 lbs. Hair Pins at 15¢; 3 doz. Leather Belts at $3.50; 3 cases and packing, $3.50; Dray age, 50¢. Total $408.85.

" 6. Paid Cash for Office Chair, $10.

" 6. Forwarded by Express, C. O. D., to John Atwater, Muncie, Ind., 6 prs. Ladies' Kid Gloves at $1.75, $**.**.

Open a C. O. D. account.

" 6. Received Cash of J. F. Grable & Son, Wenona, Ill., in settlement of their purchase of the 1st inst. less discount at 4%. Face of bill, $***.**; discount off $**.**. Cash received $***.**.

" 6. Sold to Curtis & Fowler, Lafayette, Ind., 2 ps. Corset Jeans, 77 yds. at 19¢; 3 ps. Irish Linen, 81 yds. at 55¢; 2 doz. Ladies' White Cotton Hose at $4; 4 doz. Children's Cotton Hose at $1.25; 1 doz. Ladies' Merino Vests at $12; 6 prs. Ladies' Kid Gloves at $1.75; 10 Ottoman Shawls at $5; 3 doz. Ladies' Linen Cuffs at $3; 2 doz. Ladies' Linen Collars at $2.50; 3 doz. Linen Napkins at $1.50; 10 doz. Coats' Thread at 75¢; 5 M Milward's Needles at $2; 4 doz. Leather Belts at $3.50; 5 lbs. Hair Pins at 15¢; 10 doz. Gents' Half Hose at $3.50; 10 gross Shoe Laces at 50¢; 5 doz. Thimbles at 25¢; 6 gross Black Hooks and Eyes at 10¢; 4 doz. French Wove Corsets at $6; 3 doz. Ladies' Balbriggan Hose at $9; Box and Cartage, $1.25. Total $***.**. Received in payment, Cash $100; their Note at 1 month, 6% interest, $100. Balance on account, $**.**.

Enter the Note in the Bills Receivable Book, and post to the credit of Curtis & Fowler, post-marking the entry.

" 8. Shipped James D. Baily, Salem, Ill., by Express, C. O. D., 4 Robes at $2, $*.

" 8. Bought for Cash of J. Hamilton & Sons, Merchandise as per bill, $785.25; Less 2% cash discount; Paid Cash for freight and charges, $15.

" 8. Chas. W. Hill has drawn Cash for private use, $30.

" 8. Bought of Burch & Henderson, Boston, on account, 30 days, Merchandise per Invoice, $450.

" 8. Accepted John O. Dent's Draft at 15 days' sight on Henry A. White, favor S. B. Raymond, for $100.

Enter in the Bills Payable Book and post to the partners' account.

19—

April 9. Shipped by B. & O. R. R., and remitted Bill of Lading to Tiffany, Ward & Co., Baltimore, to be sold on our a/c and risk, 3 ps. Merrimac D Print, 112 yds. at 10¢; 2 ps. Brown Drilling, 79 yds. at 20¢; 3 ps. Cottonade, 122 yds. at 30¢; 1 ps. 4-4 Bleached Drilling, 40 yds. at 12¢; 2 ps. 4-4 Brown Drilling, 79 yds. at 10¢; 1 ps. Doeskin, 35 yds. at $2.25; 10 Robes at $2; 6 prs. White Blankets at $3.50; 3 ps. Sprague Print, 122 yds. at 10¢; 4 ps. Blue Denim, 115 yds. at 17¢; 2 ps. Corset Jeans, 81 yds. at 15¢; 2 ps. Irish Linen, 80 yds. at 50¢; 3 doz. Children's Cotton Hose at $1.25; 4 doz. Gents' Half Hose at $3; 6 prs. Gents' Kid Gloves at $1.50; 5 doz. Ladies' Linen Cuffs at $3; 6 doz. Ladies' Linen Collars at $1; 4 doz. Linen Napkins at $1.50; 10 doz. Coats' Thread at 75¢; 10 lbs. Hair Pins at 15¢; 5 doz. Leather Belts at $3.50; 4 doz. Linen Damask Towels at $1.25; Drayage on same, $1. Total $364.20.

" 9. Received from Barbour & Brother, Rockford, Ill., their check on Third National Bank in settlement of bill of April 5th, less 2% cash discount.

" 9. Sold R. M. Hamilton, Rochester, N. Y., 6 prs. Gents' Kid Gloves, at $1.50, $*; 4 doz. Gents' Half Hose at $3, $**. Total $**.

" 9. Paid Cash for repairing Shelves, $25.

" 10. Sold to Richards, Shaw & Winslow, Chicago, Ill., 4 doz. Children's Cotton Hose at $1.25; 6 prs. Gents' Kid Gloves at $1.50; 5 doz. Linen Napkins at $1.50; 3 ps. Irish Linen, 117 yds. at 50¢; 2 ps. Corset Jeans, 80 yds. at 15¢; 2 ps. Cottonade, 80 yds., at 31¢; 12 Robes at $2; 8 prs. White Blankets at $3.50; 2 ps. Merrimac D Print, 81 yds. at 10¢; 2 ps. Sprague Print, 80 yds. at 10¢; 10 doz. Clark's Thread at 75¢; 6 doz. Leather Belts at $3.50; 5 doz. Linen Damask Towels at $1.25; 6 doz. Ladies' Linen Cuffs at $3; 6 doz. Ladies' Linen Collars at $1; Box 75¢, Drayage 50¢, $1.25; Total $244.90. Received in payment their Check on First National Bank, $100. Balance on account, $***.**.

" 10. Received Cash of Express Company for bill of goods shipped C. O. D. to John Atwater, Muncie, Ind., on the 6th inst., $10.50.

" 10. Sold and shipped C. O. D. to Joseph Brown, Lancaster, Pa., 12 doz. Clark's Thread at 75¢; 12 lbs. Hair Pins, 15¢; 20 gross Black Hooks and Eyes at 10¢; 10 doz. Thimbles at 25¢; 4 doz. Leather Belts at $3.50. Total $**.**.

" 12. Paid Cash for 5 days' labor, $10.

" 12. Sold to Mandel Bros., 10 doz. Ladies' White Cotton Hose at $1.50; 5 doz. Lace Neck Ties at $5; 5 doz. Lace Pouches at $3; 2 doz. Leather Belts at $3.50; 1 ps. Irish Linen, 40 yds. at 50¢; 2 ps. Bleached Linen Damask, 81 yds, at 45¢; 1 ps. Jaconet, 39 yds. at 25¢; 3 ps. Cottonade, 93 yds. at 30¢; 2 ps. Brown Duck, 65 yds. at 23¢; 1 Box 50¢, Drayage 25¢, 75¢. Total $171.80 Received in payment Burch & Henderson's Draft on us at sight for full amount, $***.**.

Make a Journal entry.

" 13. Bought of Brown Brothers & Co., Birmingham, Eng., on account, invoice of Merchandise, $950. 30 days, less 4% 10 days.

" 15. Returned to H. H. Clark & Co. at their expense, 1 ps. Black Silk, damaged, 20 yds. at $2, $**.

" 16. Received Cash of the Express Company for a bill of Merchandise shipped C. O. D. to Joseph Brown, Lancaster, Pa., on the 10th inst., $**.**.

" 16. Paid Cash for C. H. McCormick's Draft at sight on Chas. W. Hill, $200.

" 17. Paid Cash for bill of Printing, $10.

" 17. Received by Express from Richards, Shaw & Winslow, 6 prs. Gents' Kid Gloves, returned at $1.50, $*.

Enter in the Invoice Book and credit the persons returning the goods.

19—

April 17. Brown Brothers & Co., Birmingham, Eng., have drawn against our Letter of Credit, for amount of their Invoice of the 13th inst. less 4% cash discount for payment within 10 days. Amount of Invoice $950, Discount $38. Paid Cash $912.

" 18. Sold to C. A. Allis, Rockford, Ill., 5 doz. Ladies' White Cotton Hose at $1.50; 10 doz. Lace Neck Ties at $5; 3 doz. Lace Pouches at $3; 1 ps. Irish Linen, 36 yds. at 50¢; 2 ps. Jaconet, 68 yds. at 25¢; 2 doz. Leather Belts at $3.50; 2 ps. Cottonade, 61 yds. at 31¢; 1 ps. Brown Duck, 32 yds. at 23¢; 1 ps. Bed Ticking, 29 yds. at 25¢; 2 ps. Bleached Cotton, 63 yds. at 12¢; 1 ps. 10-4 Brown Sheeting, 33 yds. at 35¢; 2 ps. Corset Jeans, 76 yds. at 15¢; 4 doz. Linen Damask Towels at $2; 2 doz. Linen Napkins at $1.50; 3 doz. Ladies' Linen H'dk'fs at $2; 2 doz. Ladies' Linen Cuffs at $3; 1 ps. Black Alpaca, 31 yds. at 70¢; 1 ps. Black Silk, 29 yds. at $2.50; 1 ps. Red Flannel, 33 yds. at 30¢; 1 ps. White Flannel, 30 yds. at 35¢; 2 Ottoman Shawls at $5; 3 doz. Spool Sewing Silk at $1.50; 4 doz. Coats' Thread at 75¢; 2 M Needles at $2; 4 gross White Hooks and Eyes at 10¢; 4 doz. Thimbles at 20¢; Box 50¢ and Drayage 50¢, $1. Total $333.83. Received in payment, Cash, $200. The balance on account, $***.**.

" 18. Sold for Cash to E. L. Monser, 1 ps. Red Flannel, 32 yds. at 30¢; 1 ps. White Flannel, 30 yds. at 35¢; 1 Ottoman Shawl, $5; 2 doz. Linen Napkins at $1.50; 4 doz. Coats' Thread at 75¢. Total $**.**. Less 2% cash discount.

" 19. Received an Account Sales from Tiffany, Ward & Co., of Merchandise shipped to be sold on our account and risk. Net proceeds, $350.

" 19. On examining invoice of goods bought of Brown Bros. & Co., we find 6 doz. Cotton Hose short, which we charge to their account at $3, $**. and notify them.

Enter in the Sales Book.

" 19. E. L. Monser claims a deduction on goods damaged, sold to him on the 18th inst., which we have allowed and refunded the amount in Cash, $5.

Enter in the Invoice Book.

" 21. C. A. Allis has returned 5 doz. Ladies' White Cotton Hose at $1.50, $*.**.

" 21. Sold to Horatio Nelson, Cleveland, Ohio, 2 ps. Blue Denim, 60 yds. at 15¢; 1 ps. Bed Ticking, 37 yds. at 25¢; 1 ps. Brown Sheeting, 33 yds. at 27¢; 2 ps. Irish Linen, 52 yds. at 50¢; 1 ps. Red Flannel, 31 yds. at 35¢; 1 ps. White Flannel, 30 yds. at 40¢; 1 Ottoman Shawl, $5; 3 doz. Ladies' White Cotton Hose at $1.50; 2 doz. Ladies' Balbriggan Hose at $9; 1 pr. Ladies' Kid Gloves, $1.75; Case, 25¢. Total, $***.**. Less 3% cash discount. Received in payment a certified Check on the First National Bank of Cleveland for net amount of bill.

" 21. Paid Cash to Robert Wilson, clerk, $10.

" 21. Sold to J. F. Grable & Son, Wenona, Ill., on account 30 days net or 10 days less 2%, 6 doz. Ladies' Linen Cuffs at $3; 5 doz. Ladies' Linen Collars at $1.25; 10 prs. Ladies' Kid Gloves at $1.60; 5 ps. 10-4 Bleached Sheeting 195 yds. at 50¢; 6 ps. Brown Cotton Flannel, 215 yds. at 20¢; 5 ps. Cottonade, 190 yds. at 30¢; Case and packing $1.50; Drayage $1.00. Total $240.25.

" 22. Exchanged Notes with William Curran for our mutual accommodation, each drawn at one month from date, $200.

Enter both notes in the Bill Book and check the entries.

" 22. Discounted at First National Bank William Curran's Note. Face of Note, $200. Received in Cash, $***.**. Discount on the same at 8% for 33 days, $*.**.

19—

April 22. Sold to John Shiletto & Co., Cincinnati, O., 2 ps. Manchester Gingham, 63 yds. at 12¢; 1 ps. Blue Denim, 31 yds., at 18¢; 1 ps. Brown Denim, 30 yds. at 15¢; 1 ps. Brown Duck, 31 yds. at 23¢; 1 ps. Brown Shirting, 35 yds. at 11¢; 1 ps. 10-4 Bleached Sheeting, 29 yds. at 42¢; 2 ps. Paper Cambric, 79 yds. at 10¢; 1 ps. Corset Jeans, 34 yds., at 15¢; 2 ps. Cottonade, 76 yds. at 30¢; 1 ps. Irish Linen, 40 yds. at 50¢; 2 ps. Jaconet, 80 yds. at 25¢; 3 doz. Linen Damask Towels at $1.25; 2 doz. Ladies' Linen Cuffs at $3; 1 doz. Ladies' White Cotton Hose, $1.50; 2 doz. Balbriggan Hose at $9; 2 doz. Children's Cotton Hose at $1.25; 2 doz. Misses' Cotton Hose at $2; 3 doz. Gents' British Hose at $3; 1 doz. Ladies' Merino Vests, $12; 3 prs. Ladies' Kid Gloves at $1.75; 1 Ottoman Shawl, $5; 2 doz. Clark's Thread at 75¢; 2 M Needles at $2; Case and Drayage, $1. Total $190.10. Received in payment his Check on the Park National Bank, $100. The balance on account, $**.**.

" 23. Sold to Hamilton, Easter & Co., Baltimore, Md., 40 doz. Ladies' White Cotton Hose at $1.50; 50 doz. Balbriggan Hose at $9; 30 doz. Children's Cotton Hose at $1.25; 60 doz. Misses' Cotton Hose at $2; 25 doz. Gents' British Hose at $3; 9 doz. Ladies' Merino Vests at $12; 20 prs. Ladies' Kid Gloves at $1.75; 15 doz. Gents' Cassimere Gloves at $12; 2 doz. Ottoman Shawls at $60; 50 doz. Barbour's Spool Linen at $1.25; 50 doz. Clark's Thread at 75¢; 20 M Needles at $2; 100 gross White Hooks and Eyes at 10¢; 100 gross Black Hooks and Eyes at 15¢; 20 doz. Lace Neck Ties at $5; 2 Cases at 50¢, $1; Drayage 50¢; Total $****. Received in payment, Cash, $300. Their Note at one month, $300. The balance on account, $***.

" 23. Received Cash of Express Co. for goods shipped James D. Baily, Salem, Ill., on the 8th inst., $*.

" 23. Paid Cash for repairing Store, $15.

" 25. Received Cash by Express from Tiffany, Ward & Co., for net proceeds of consignment, $350.

" 25. Accepted Burch & Henderson's Draft on us at 1 day's sight, $200.

" 26. Chas. W. Hill has drawn Cash for private use, $25; Henry A. White has drawn Cash for private use, $25. Total $50.

" 26. Paid Cash for John O. Dent's Draft on Henry A. White, accepted on the 8th inst. $100.

" 27. Bought of F. W. Bennett & Co., on account, a job lot of Cloth for $200. Sold same to J. Gilbert for Cash, $250. Less 2% cash discount.

Enter in the Invoice and Sales Books.

" 27. Received of J. F. Grable & Son, Wenona, Ill., New York Exchange in settlement of invoice of the 21st less 2% cash discount.

" 28. Sold to Hamlin, Hale & Co., Chicago, 1 ps. Merrimac D Print, 41 yds. at 10¢; 2 ps. Brown Drilling, 39 yds. at 15¢; 2 ps. Irish Linen, 81 yds. at 50¢; 1 ps. 10-4 Bleached Sheeting, 39 yds. at 40¢; 2 ps. Cottonade, 79 yds. at 30¢; 30 doz. Ladies' White Cotton Hose at $1.50; 20 doz. Linen Damask Towels at $2; 30 doz. Ladies' Linen Cuffs at $3; 25 doz. Ladies' Linen Collars at $1.25; 20 doz. Linen Napkins at $1.50; 30 doz. Ladies' Balbriggan Hose at $9; 12 doz. Children's Cotton Hose at $1.25; 15 doz. Misses' Cotton Hose at $2; 30 doz. Gents' British Hose at $3; 5 doz. Ladies' Merino Vests at $12; 5 doz. Gents' Cassimere Gloves at $12; 10 prs. Gents' Kid Gloves at $1.75; 1 Ottoman Shawl, $5; 10 doz. Coats' Thread at 75¢; 5 gross White Hooks and Eyes at 10¢; 2 Cases and Drayage, $1.50. Total $883. Received their Check for $500. Balance on account, $***.

19—

April 29. Sold to Thompson & Co., Brooklyn, N. Y., 10 doz. Gents' Mixed Hose at $2; 20 doz. Gents' British Hose at $3; 12 doz. Children's Cotton Hose at $1.25; 5 doz. Linen Napkins at $1.50; 5 doz. Linen Damask Towels at $2; 10 doz. Ladies' Linen Cuffs at $3; 10 doz. Ladies' Linen Collars at $1.25; 1 ps. Irish Linen, 39 yds. at 50¢; 1 ps. White Flannel, 38 yds. at 40¢; 1 ps. Red Flannel, 37 yds. at 35¢; 5 prs. Ladies' Kid Gloves at $1.75; 1 Ottoman Shawl, $5; 9 gross White Hooks and Eyes at 10¢; 10 gross Black Hooks and Eyes at 15¢; 6 doz. Leather Belts at $3.50; 5 doz. Lace Neck Ties, $5; 1 Box, 50¢. Total $265.30. Received in payment their Draft at 5 days' sight on Robinson & Co., accepted on the 26th instant, for $100; their Check for $100. The balance on account, $**.**.

" 29. Paid Cash for our Acceptance, favor of Burch & Henderson, Boston, now due, $***.

" 30. Paid Cash for Clerk hire to date, $150.

" 30. Paid Cash for bill of Office Furniture, $125.

" 30. We credit Chas. W. Hill with his salary for the month, $100; also Henry A. White for his salary, $83.33, as per articles of copartnership.
Debit Expense.

## Inventory.

| | |
|---|---|
| Merchandise on hand, | $13975.28 |
| Store Fixtures, | 130. |

## Results.

| | |
|---|---|
| Cash on hand, | $26290.64 |
| Bills Receivable on hand, | 500. |
| Bills Payable outstanding, | 1950.25 |
| Personal Accounts owing the firm, | 1821.16 |
| Personal Accounts the firm owe, | 278.20 |
| Chas. W. Hill's Net Capital at closing, | 20687.65 |
| Henry A. White's " " " | 19800.98 |

## TRANSACTIONS.

19—

May 1. J. W. Howard has this day been admitted to an interest in the business, he investing Cash equal to one-fourth the present capital of the concern. Gains and losses to be shared as follows: Chas. W. Hill two-fifths, Henry A. White two-fifths, and J. W. Howard one-fifth. J. W. Howard to receive a salary of $75 per month for his services. In estimating the present capital of the concern, 5% is to be deducted from all personal accounts owing to the firm for bad debts and cost of collecting. Five per cent. of personal accounts owing to the firm (as shown by last month's Balance Sheet), $91.06, one-half of which we charge to each of the original partners, $45.53 $45.53*

J. W. Howard invests Cash, $******.**.

" 1. Paid Cash for Rent of Store, $100.

" 1. Bought of Brown Bros. & Co., Birmingham, Eng., on account 30 days less 4% 10 days, Invoice of Merchandise amounting to $380.

" 1. Sold to J. P. Fink, Denver, Col., 2 ps. Manchester Gingham, 80 yds. at 12¢; 4 ps. Blue Denim, 42 yds. at 18¢; 1 ps. Brown Shirting, 40 yds. at 12¢; 1 ps. 10-4 Brown Sheeting, 41 yds. at 43¢; 2 ps. Cottonade, 79 yds. at 30¢; 1 ps. Brown Cotton Flannel, 38 yds. at 20¢; 2 ps. Irish Linen, 78 yds. at 50¢; 1 ps. Jaconet, 37 yds. at 25¢; 10 doz. Linen Napkins at $1.50; 5 doz. Linen Damask Towels at $2; 6 doz. Ladies' Linen Cuffs at $3; 6 doz. Ladies' Linen Collars at $1.25; 10 doz. Ladies' White Cotton Hose at $1.50; 5 doz. Ladies' Balbriggan Hose at $9; 10 doz. Children's Cotton Hose at $1.25; 10 doz. Misses' Cotton Hose at $2; 5 doz. Gents' Mixed Hose at $2; 5 doz. Ladies' Merino Vests at $12; 6 prs. Ladies' Kid Gloves at $1.75; 10 doz. Spool Sewing Silk at 75¢; 10 doz. Coats' Thread at 75¢; 2 M Milward's Needles at $2; 5 gross Black Hooks and Eyes at 10¢; 4 doz. Thimbles at 20¢; 1 Case, $1.50; Drayage 50¢. Total $364.94. Less 2% cash discount. Received in payment, our Note of the 22nd ult., in favor of Wm. Curran, $200; Discount on same, 24 days, 8%, $1.07. Cash for balance, $***.**.

" 2. Chas. W. Hill has assumed H. H. Clark & Co.'s indebtedness, which we charge to his account, $**.

" 2. R. M. Hamilton, Rochester, N. Y., remits the amount of our Invoice of April 9th, less 1% cash discount.

" 2. Discounted at First National Bank, Hamilton, Easter & Co.'s Note in our favor, due the 26th inst. Face of Note, $300; Discount off 24 days, 8%, $*.**. Received Cash, $***.**.

" 2. Bought of Nelson Graham, on our Note at 30 days, a job lot of Merchandise for $375. Sold the same to John Moore, on his Note at 30 days, for $4.50.

" 3. Sold to Robert Winthrop & Co., Richmond, Va., 1 ps. Merrimac D Print, 41 yds. at 9¢; 1 ps. M. Gingham, 40 yds. at 12¢; 2 ps. Blue Denim, 80 yds. at 15¢; 1 ps. Brown Duck, 38 yds. at 23¢; 1 ps. Cottonade, 39 yds. at 30¢; 1 ps. Irish Linen, 37 yds. at 50¢; 5 doz. Linen Napkins at $1.50; 5 doz. Linen Damask Towels at $2; 4 doz. Ladies' Linen Cuffs at $3; 4 doz. Ladies' Linen Collars at $1.25; 6 doz. Ladies' Balbriggan Hose at $9; 9 doz. Children's Cotton Hose at $1.50; 9 doz. Misses' Cotton Hose at $2; 1 doz. Ladies' Merino Vests, $12; 1 doz. Gents' Cassimere Gloves, $12; 10 doz. Spool Sewing Silk at 75¢; 5 M Mil. Needles at $2; 10 gross White Hooks and Eyes at 10¢; Case and Drayage, 75¢. Total $222.68. Received in payment their Draft at 10 days' date on George Small, accepted for $100. The balance on account, $***.**.

---

*Credit Profit and Loss.

19—

May 5. Robinson & Co.'s Acceptance of the 26th ult. has been protested for non-payment, which we charge to the drawers, Thompson & Co. Face of Acceptance, $100. Protest fee paid in Cash, $2.

Make a Journal entry; also debit the drawers in the Cash Book for the Protest fee.

" 5. Bought of Burch & Henderson, Boston, Bill of Domestics amounting to $260. "Thirty days net, 10 days less 1 per cent."

" 6. Sold to Flentye & Curran, Chicago, 1 ps. Bleached Cotton, 39 yds. at 15¢; 2 ps. Paper Cambric, 40 yds. at 10¢; 1 ps. Irish Linen, 37 yds. at 50¢; 1 ps. Brown Cotton Flannel, 38 yds. at 20¢; 5 doz. Ladies' Balbriggan Hose at $9; 10 doz. Ladies' White Cotton Hose at $3; 10 doz. Children's Cotton Hose at $1.25; 6 doz. Misses' Cotton Hose at $2; 5 doz. Gents' Mixed Hose at $3; 10 prs. Ladies' Kid Gloves at $1.75; 12 doz. Spool Sewing Silk at 75¢; 20 doz. Barbour Spool Linen at $1.25; 15 doz. Clark's Thread at 75¢; 5 doz. Leather Belts at $3.50; 6 doz. Lace Neck Ties at $5; 5 M M. Needles at $2; 6 gross White Hooks and Eyes at 10¢; 6 gross Black Hooks and Eyes at 15¢; Case and Drayage, $1. Total $273.20. Received in payment, Cash, $100; their Note at 1 month, $100. Balance on account, $**.**.

" 6. J. W. Howard has drawn Cash for private use, $25

" 6. Brown Bros. & Co., Birmingham, have drawn against our Letter of Credit to them, as per instructions, for amount of their invoice of the 1st inst., less 4% Cash Discount, less also the item of shortage on previous invoice, $**.

" 6. Bought of Arnold & Co., Bill of Merchandise, $350. Gave in payment our Draft at sight on Hamilton, Easter & Co., $350.

" 8. Bought for Cash of William Morris & Co., Merchandise as per bill, $375. Less 3% cash discount. Paid Cash for Freight on same, $25.

" 9. Received Cash of Curtis & Fowler for their Note, now due. Face of Note, $100; Interest on same at 6%, $.**. Total $***.**.

" 9. Sold to Hopkins, Hill & Co., Rochester, N. Y., 2 ps. Cottonade, 66 yds. at 30¢; 1 ps. Paper Cambric, 40 yds. at 10¢; 1 ps. Brown Shirting, 39 yds. at 11¢; 1 ps. Blue Denim, 40 yds. at 18¢; 1 ps. Merrimac D Print, 41 yds. 9¢; 1 ps. M. Gingham, 38 yds. at 12¢; 1 ps. 10-4 Brown Sheeting, 40 yds. at 37¢; 2 ps. Irish Linen, 73 yds. at 50¢; 5 doz. Leather Belts at $3.50; 5 doz. Lace Neck Ties at $5; 2 gross White Hooks and Eyes at 10¢; 6 doz. Coats' Thread at 75¢; 10 doz. Spool Sewing Silk at 75¢; 5 M Milward Needles at $2; 1 Ottoman Shawl, $5; 5 prs. Gents' Kid Gloves at $1.75; 6 doz. Children's Cotton Hose at $1.50; 5 doz. Misses' Cotton Hose at $2; Case and Drayage, $1. Total $193.29. 5% and 10% off, $**.**. Net $***.**. Received in payment, bill of Merchandise amounting to $125. The balance on account, $**.**.

" 10. Shipped to J. Stewart & Co., Philadelphia, Pa., to be sold for our account and risk, 10 prs. Ladies' Kid Gloves at $1.75; 10 prs. Gents' Kid Gloves at $1.75; 5 doz. Neck Ties at $5; 6 doz. Leather Belts at $3.50; 100 gross White Hooks and Eyes at 10¢; 10 doz. Balbriggan Hose at $9; 5 doz. Ladies' Cotton Hose at $1.50; 6 doz. Misses' Cotton Hose at $1.50; 6 doz. Children's Cotton Hose at $1.25; 5 doz. Ladies' Linen Cuffs at $3; 5 doz. Ladies' Linen Collars at $1.50; 10 doz. Linen Damask Towels at $2; 10 doz. Linen Napkins at $1.50; 1 ps. Irish Linen, 39 yds. at 50¢; 1 ps. Jaconet, 35 yds. at 25¢; 1 ps. M. Gingham, 31 yds. at 12¢; 1 ps. Cottonade, 33 yds. at 30¢; 10 M Needles at $2. Total $***.**.

" 10. Remitted our check on Park National Bank, New York, to Burch & Henderson, Boston, in payment of Invoice of 5th inst., less 1% cash discount.

" 10. Paid our Note of the 5th ult., favor Woods & Lowry, before due. Face of Note, $1750.25; Interest on same to date at 6%, $10.21.

19—

May 12. Remitted Check on Park National Bank to Burch & Henderson, to close account, $***.**.

" 12. Paid Cash for Levi Hunt's Draft at sight on Henry A. White, $125.

" 12. Sold to Barbour & Brother, Rockford, Ill., 2 ps. Cottonade, 66 yds. at 30¢; 2 ps. Paper Cambric, 80 yds. at 10¢; 2 ps. Brown Shirting, 78 yds. at 11¢; 3 ps. Blue Denim, 120 yds. at 18¢; 1 ps. Merrimac D. Print, 41 yd. at 9¢; 2 ps. M. Gingham, 76 yds. at 12¢; 5 doz. Leather Belts at $3.60; 5 doz. Lace Neck Ties at $6; 6 doz. Coats' Thread at 75¢. Total $***.**.

" 12. Paid Cash for subscription to Bradstreet's Mercantile Agency, $25.

Debit Expense.

" 12. Paid Cash to the Phœnix Insurance Co. for Insurance on Merchandise, $100.

Keep an Insurance account.

" 13. Accepted James Robinson's Draft at 10 days' date on Chas. W. Hill, $150.

" 13. Bought for Cash, 1 Office Stove, $25.

" 15. Sold to James E. Spencer & Co., Cleveland, O., 10 doz. Ladies White Cotton Hose at $3; 5 doz. Children's Cotton Hose at $1.25; 9 doz. Misses' Cotton Hose at $2; 5 doz. Ladies' Balbriggan Hose at $9; 10 doz. Gents' Half Hose at $4; 2 doz. Ladies' Merino Vests at $12; 5 prs. Ladies' Kid Gloves at $1.75; 1 Ottoman Shawl, $5; 10 doz. Spool Sewing Silk at 75¢; 5 doz. Clark's Thread at 75¢; 6 doz. Leather Belts at $3.50; 10 gross White Hooks and Eyes at 10¢; 2 M M. Needles at $2; 1 ps. Sprague Print, 31 yds. at 10¢; 1 ps. Manchester Gingham, 29 yds. at 12¢; 10 doz. Men's Silk Shirts at $16; 5 doz. Ladies' Silk Hose at $7; Box and Drayage, $1.25. Total $417.08. Received in payment, Check on First National Bank, $100; their Note at 1 month, drawing 6% interest, $150; their Draft on Potter Palmer at 3 days' sight, accepted today, for balance, $***.**.

" 15. Paid Cash for the recovery of Merchandise stolen, $25

Debit Profit and Loss.

" 15. Richards, Shaw & Winslow have remitted us New York Exchange to close their account, $***.**.

" 16. Received Cash of Geo. Small for his Acceptance, now due, $***.

" 16. Bought of Shipley & Co., Boston, bill of Merchandise, $750. Gave in payment, Cash, $150; 9 doz. Ladies' Merino Vests at $12, $***. The balance on account, $***.

" 17. Received Cash of John Moore for his Note, due June 4th. Face of Note, $450; Discount on the same, 18 days, 6%, $*.**. Cash received, $***.**.

" 18. Sold for Cash to A. S. Barnes, 10 doz. Leather Belts at $3.50; 6 doz. Lace Neck Ties at $5; 10 doz. Coats' Thread at 75¢; 10 doz. Thimbles at 25¢; 6 gross Black Hooks and Eyes at 15¢; 2 M M. Needles at $2; 6 prs. Gents' Kid Gloves at $1.75; 3 doz. Balbriggan Hose at $9; 5 doz. Ladies' White Cotton Hose at $3; 6 doz. Children's Cotton Hose at $1.50; 3 doz. Buckskin Gloves at $9; 3 doz. Linen Napkins at at $1.50; 3 doz. Linen Damask Towels at $2. Total $178.90. Less 4% cash discount.

" 20. Received an Account Sales, with net proceeds in Cash, from J. Stewart & Co., Philadelphia, of Merchandise shipped to them on the 10th inst., $350.

" 20. Remitted to Shipley & Co., Boston, our check on New York for balance due on their invoice of 16th, less 2% cash discount upon the entire amount of the Invoice.

" 20. Hamlin, Hale & Co. owe us on account, $***. M. D. Ogden assumes the same and pays as follows: Cash, $100; his Note at 30 days, with 8% interest, for balance, $***.

Make a Journal entry.

19—

May 20. John Shiletto & Co. have remitted Check to close their account, $***.**. Less 1% discount upon entire invoice for payment within 30 days.

" 20. Received from Barbour & Brother, draft on Union Trust Co., Chicago, in payment of invoice of the 12th. Less 3% cash discount.

" 21. Remitted to F. W. Bennett & Co. our check for amount of their invoice of the 27th ult. less 1% for payment within 30 days.

" 21. Received Cash of Potter Palmer for his Acceptance of the 15th inst., $***.**.

" 21. Discounted our Note in favor of Nelson Graham. Face of Note, $375. Discount off 14 days, 6%, **¢. Proceeds paid in Cash, $***.**.

" 21. Bought of M. D. Hayes on our Note at 2 months, Merchandise per bill, $225.

" 23. Shipped by Express, C. O. D., to A. M. Trimmer, Harrisburg, Pa., 10 doz. Ladies' White Cotton Hose at $3, $30.

" 23. Received Cash of C. A. Allis on account, $100.

" 23. Paid Cash for printing Bill Heads, $6.50.

" 23. Bought of H. C. Carson & Co., Liverpool, Eng., on account, Merchandise per bill, $500. Paid Duties in Cash $75.

" 24. Sold to William T. Harvey & Co., Albany, N. Y., 1 ps. Manchester Gingham, 39 yds. at 12¢; 1 ps. Brown Duck, 40 yds. at 23¢; 1 ps. Blue Denim, 38 yds. at 18¢; 1 ps. Cottonade, 41 yds. at 30¢; 10 doz. Children's Cotton Hose at $1.25; 6 doz. Ladies' Balbriggan Hose at $9; 5 doz. Ladies' White Cotton Hose at $3; 4 doz. Ladies' Merino Vests at $12; 12 prs. Ladies' Kid Gloves at $1.75; 10 doz. Spool Sewing Silk at 75¢; 8 doz. Clark's Thread at $75¢; 3 doz. Leather Belts at $3.50; 6 doz. Thimbles at 25¢; 5 gross Black Hooks and Eyes at 15¢; Case and Drayage, 75¢. Total $210.52. Received in payment a Note made by John H. Hall, dated the 1st inst. at 2 months, with interest at 6%, $100; Interest, 23 days, **¢. Balance on account. $***.**.

Make a Journal entry for the Interest.

" 25. We are notified by the bank that H. C. Carson & Co., Liverpool, Eng., have drawn against our Letter of Credit, for amount of the invoice $500, less 4% cash discount. Net amount paid $480.

" 25. Received Cash of Curtis & Fowler, in full.

" 25. Accepted Ira Howe's Draft on Chas. W. Hill, dated on the 22nd inst. at 5 days' sight, $50.

" 25. Paid Cash for subscription to R. G. Dun & Co.'s Mercantile Agency, $50.

" 25. Received Cash of Thompson & Co. in full, $***.**.

" 26. Paid Cash for our Acceptance of the 13th inst., now due, $150.

" 26 Sold for Cash to David Brown at 1% premium, our sight Draft on Hamilton, Easter & Co. Face of Draft, $502; Premium, $5.02. Total $507.02.

" 26. Loaned John A. Stewart, Cash, $50.

" 26. Bought for Cash, 30 shares Chicago, Burlington & Quincy Railroad Stock at $100.

" 27. Discounted Flentye & Curran's Note, our favor, due June 9th. Face of Note, $100. Discount off 13 days, 6%, $.22. Received in Cash, $99.78.

19—

May 27. Sold to Smith & Crittenden, Council Bluffs, Ia., on account, 1 ps. Cottonade, 39 yds. at 30¢; 1 ps. Brown Sheeting, 40 yds. at 35¢; 1 ps. Blue Denim, 38 yds. at 18¢; 1 ps. Merrimac D Print, 41 yds. at 10¢; 1 ps. M. Gingham, 35 yds. at 12¢. 1 ps. Brown Cotton Flannel, 36 yds. at 20¢; 3 doz. Ladies' White Cotton Hose at $3; 4 doz. Children's Cotton Hose at $1.50; 3 doz. Linen Napkins at $1.50; 4 doz. Linen Damask Towels at $2; 5 doz. Ladies' Linen Cuffs at $3; 5 doz. Ladies' Linen Collars at $1.15; 5 doz. Spool Sewing Silk at 75¢; 6 doz. Clark's Thread at 75¢; 2 M Milward's Needles at $2; 8 gross White Hooks and Eyes at 10¢; 3 doz. Leather Belts at $3.50; Case and Drayage, $1.25. Total $***.**.

" 28. Received Cash of C. A. Allis, in full.

" 29. Sold for Cash to Albert Keep, 10 shares Chicago, Burlington & Quincy Railroad Stock at $1.03½, $****.

" 29. Paid Cash for advertising in the *Times*, $5.

" 29. Sold to L. H. Wheeler & Co., Milwaukee, Wis., 1 ps. Jaconet, 37 yds. at 25¢; 1 ps. M. Gingham, 39 yds. at 12¢; 1 ps. Cottonade, 38 yds. at 30¢; 1 ps. Irish Linen, 35 yds. at 50¢; 1 ps. Red Flannel, 40 yds. at 35¢; 4 doz. Linen Damask Towels at $2; 4 doz. Linen Napkins at $1.50; 5 doz. Ladies' Linen Cuffs at $3; 5 doz. Ladies' Linen Collars at $1.25; 6 doz. Children's Cotton Hose at $1.50; 4 doz. Misses' Cotton Hose at $2; 10 doz. Coats' Thread at 75¢; 10 doz. Spool Sewing Silk at 75¢; 3 doz. Leather Belts at $3.50; 4 doz. Thimbles at 25¢; 4 doz. Lace Neck Ties at $5; 3 gross White Hooks and Eyes at 10¢; 2 M Needles at $2. Case and Drayage, $1. Total $160.88. Received in payment 20 doz. Lisle Gauntlets at $3, $**; their Note at 1 month, $50. Balance on account, $**.**.

" 29. Paid Cash for clerk hire to date, $125.

" 30. Received of Smith & Crittenden, Council Bluffs, Ia., Chicago Exchange in payment of our Invoice of the 27th inst., less 3% cash discount.

" 30. We credit each partner with his salary for the month, viz.: Chas. W. Hill, $100; Henry A. White, $83.33; J. W. Howard, $75. Total $258.33.

## Inventory, May 31, 19—

| | |
|---|---|
| Merchandise on hand, | $12955.25 |
| 20 shares C., B. & Q. Railroad Stock @ $102⅝, | ****.** |
| Store Fixtures, | 150.00 |

## Results.

| | |
|---|---|
| Cash on hand, | $32592.83 |
| Bills Receivable on hand, | 583. |
| Bills Payable outstanding, | 275. |
| Personal Accounts owing to the firm, | 477.16 |
| Chas. W. Hill's Net Capital, | 19770.30 |
| Henry A. White's " " | 18981.96 |
| J. W. Howard's " " | 9783.48 |

# SELLING PRICES FOR APRIL AND MAY.

Purchases and shipments will be entered at the amounts of invoices as given in the text. Sales only will be figured at prices given below. Returned goods are figured at their purchase price.

| ARTICLES. | LIST 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Alpaca, Black | $0.70 yd. | 0.75 | $0.80 | $0.75 | $0.80 |
| Bed Ticking | .25 yd | .20 | .24 | .25 | .23 |
| Belts, Leather | 3.60 doz. | 3.75 | 3.80 | 4.00 | 3.85 |
| Blankets, White | 4.00 pr. | 3.80 | 3.75 | 4.00 | 4.25 |
| Cambric, Paper | .10 yd. | .11 | .12 | .12½ | .12 |
| Collars, Ladies' Linen | 1.00 doz. | 1.20 | 1.25 | 1.15 | 1.20 |
| Corsets, French Wove | 6.00 doz. | 7.00 | 7.50 | 7.80 | 7.25 |
| Cotton, Bleached | .10 yd. | .11 | .12 | .12 | .11 |
| Cotton Flannel, Brown | .16 yd. | .18 | .20 | .21 | .22 |
| Cottonade | .25 yd. | .27 | .30 | .32 | .35 |
| Cuffs, Ladies' Linen | 3.00 doz. | 3.10 | 3.25 | 3.50 | 3.00 |
| Damask, Bleached Linen | .50 yd. | .40 | .45 | .50 | .60 |
| Denim, Brown | .20 yd. | .20 | .25 | .20 | .23 |
| " Blue | .18 yd. | .18 | .20 | .18 | .18 |
| Doeskin | 2.20 yd. | 2.30 | 2.40 | 2.25 | 2.50 |
| Drilling, Brown | .20 yd. | .25 | .25 | .20 | .25 |
| " Bleached | .15 yd. | .18 | .16 | .17 | .18 |
| Duck, Brown | .20 yd. | .25 | .25 | .27 | .25 |
| Flannel, Red | .30 yd. | .32 | .35 | .33 | .32 |
| " White | .35 yd. | .36 | .37 | .35 | .36 |
| " Grey | .28 yd. | .29 | .30 | .30 | .28 |
| Gloves, Ladies' Kid | 1.60 pr. | 1.80 | 1.75 | 1.70 | 1.80 |
| " Gents' Kid | 1.50 pr. | 1.40 | 1.30 | 1.45 | 1.50 |
| " Gents' Cassimere | 10.00 doz. | 11.00 | 12.00 | 12.50 | 12.00 |
| " Buckskin | 6.00 doz. | 8.00 | 7.50 | 7.30 | 6.80 |
| Gingham, Manchester | .12 yd. | .11 | .11½ | .12 | .12½ |
| Hair Pins | .18 lb. | .20 | .20 | .20 | .20 |
| Handkerchiefs, Ladies' Linen | 2.50 doz. | 2.60 | 2.75 | 2.60 | 3.00 |
| Hooks and Eyes, Black | .10 gr. | .11 | .12 | .10 | .09 |
| " " White | .11 gr. | .12 | .12 | .12 | .11 |
| Hose, Ladies' Balbriggan | 8.50 doz. | 9.00 | 8.75 | 9.00 | 9.25 |
| " " White Cotton | 1.60 doz. | 1 75 | 1.80 | 2.00 | 1.80 |
| " " Silk | 6 00 doz. | 6.50 | 6.75 | 6.80 | 7.00 |
| " Gents' Half | 3.20 doz. | 3 50 | 3.75 | 4.00 | 3.60 |
| " " British | 3.00 doz. | 3.25 | 3.20 | 3.15 | 3.10 |
| " " Mixed | 2.00 doz. | 2.20 | 2.30 | 2.50 | 2.40 |
| " Misses' Cotton | 2.00 doz. | 2.25 | 2.50 | 2.60 | 2.75 |
| " Children's Cotton | 1.50 doz. | 1.60 | 1.40 | 1.35 | 1.75 |
| Jaconet | .25 yd. | .30 | .35 | .30 | .28 |
| Jeans, Corset | .15 yd. | .14 | .15 | .16 | .15 |
| Lawn, Victoria | .30 yd. | .40 | .50 | .40 | .35 |
| Linen, Irish | .40 yd. | .45 | .50 | .52 | .60 |
| Napkins, Linen | 1.50 doz. | 1.60 | 1.80 | 1.75 | 1.65 |
| Neck Ties, Lace | 4.50 doz. | 5.00 | 4.60 | 4.80 | 5.00 |
| Needles, Milward's | 2.25 m. | 2.50 | 2.30 | 2.25 | 2.00 |
| Print, Merrimac D | .10 yd. | .09 | .09½ | .10 | .10½ |
| " Sprague | .09 yd. | .10 | .09 | .10 | .10 |
| Pouches, Lace | 2.50 doz. | 3.00 | 2.80 | 2.75 | 3.00 |
| Robes | 2.50 ea. | 2.75 | 2.80 | 3.00 | 3.00 |
| Shawls, Ottoman | 6.00 ea. | 5.00 | 5.50 | 6.00 | 7.00 |
| Shirting, Brown | .11 yd. | .12 | .12½ | .12 | .12½ |
| Shirts, Men's Silk | 15.00 doz. | 16.00 | 18.00 | 16.00 | 16.50 |
| Sheeting, Bleached | .40 yd. | .35 | .37 | .40 | .45 |
| " Brown | .35 yd. | .32 | .33 | .35 | .30 |
| Silk, Black | 3.00 yd. | 2.75 | 2.80 | 3.00 | 2.90 |
| Shoe Laces | .60 gr. | .65 | .55 | .50 | .60 |
| Spool Sewing Silk | 1.40 doz. | 1.50 | 1.60 | 1.65 | 1.60 |
| Spool Linen, Barbour | 1.20 doz. | 1.25 | 1.20 | 1.30 | 1.25 |
| Thread, Coats' | .75 doz. | .70 | .65 | .65 | .68 |
| " Clark's | .80 doz. | .75 | .70 | .70 | .75 |
| Thimbles | .25 doz. | .20 | .25 | .20 | .22 |
| Towels, Linen Damask | 1.30 doz. | 1.40 | 1.30 | 1.25 | 1.50 |
| Vests, Ladies' Merino | 14.00 doz. | 15.00 | 16.00 | 15.00 | 12.50 |

In finding the results as given below for April and May use the inventories as given in the text, at the close of the month.

### RESULTS FOR APRIL.

| | LIST 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $26222.01 | $26261.75 | $26336.63 | $26341.35 | $26374.90 |
| Bills Receivable on hand | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| Bills Payable outstanding | 1950.25 | 1950.25 | 1950.25 | 1950.25 | 1950.25 |
| Personal Accounts owing the firm | 1732.32 | 1922.77 | 2006.21 | 2096.42 | 2139.37 |
| Personal Accounts the firm owe | 288.55 | 280.79 | 272.40 | 263.19 | 251.23 |
| Chas. W. Hill's net capital at closing | 20603.74 | 20722.72 | 20806.07 | 20858.14 | 20902.37 |
| Henry A. White's net capital at closing | 19717.07 | 19836.04 | 19919.40 | 19971.47 | 20015.70 |

### RESULTS FOR MAY.

| | LIST 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Cash on hand | $32387.03 | $32629.95 | $32859.53 | $32919.02 | $32991.20 |
| Bills Receivable on hand | 542.20 | 598.92 | 616.93 | 634.95 | 630.96 |
| Bills Payable outstanding | 275.00 | 275.00 | 275.00 | 275.00 | 275.00 |
| Personal Accounts owing to the firm | 429.53 | 563.98 | 601.13 | 660.94 | 693.98 |
| Personal Accounts the firm owe | 13.50 | | | | |
| Chas. W. Hill's net capital | 19647.20 | 19826.24 | 19940.13 | 19995.07 | 20035.56 |
| Henry A. White's net capital | 18858.87 | 19037.90 | 19151.81 | 19206.72 | 19247.21 |
| J. W. Howard's net capital | 9721.94 | 9811.46 | 9868.40 | 9895.87 | 9916.12 |

### QUESTIONS FOR REVIEW.

1. What books are used in the Wholesale Dry Goods Business? 2. What is the object of dividing a business into departments? 3. Define general salesmen. 4. Define department salesmen. 5. What is a team? 6. What is the duty of a caller? 7. What are the duties of an entry clerk? 8. What are the duties of a bill clerk? 9. What is the duty of an examiner? 10. What does the Sales Book contain? 11. How is the Sales Book ruled? 12. Why are more than one set of Sales Books necessary in large concerns? 13. Where are the sales posted in case the goods are sold on credit? 14. How is the entry disposed of in case the goods are sold for cash? 15. Where are the total footings of the Sales Book posted? 16. What is the business of the Profit clerk? 17. What is the use of the Invoice Book? 18. If the goods are bought on account where is the entry carried from this book? 19. If the entry in this book has a corresponding credit in some other book, what is done? 20. When is the total of the Invoice Book posted? 21. How are returned goods treated in the Wholesale Dry Goods business? 22. What can you say of the method of paying for foreign importations in order to save the cash discount? 23. What is the nature of the Bills Receivable and Bills Payable Books in this set? 24. Suppose a note is received in payment for a bill of goods, where is the entry made? 25. When do you check an entry in the Bill Books? 26. Where do you post the total of the Bills Receivable Book? 27. Where is the total of the Bills Payable Book posted? 28. What use have we for the Journal in this set? 29. What is the Petty Cash Book used for in business? 30. What is a capital account, and its object? 31. Define a private account, and explain its use. 32. How is the private account closed at the end of the year? 33. How may the partners of a business be restricted from drawing amounts in excess of their profits? 34. Where each partner is allowed a salary how is the entry made? 35. Suppose the partners are allowed interest upon their investments, when and how do you enter same? 36. How may the interest be entered up without affecting the Interest account? 37. When should such entries as those referred to in the last three questions be made? 38. From what source would you ascertain the net worth of the business in case you were about to sell? 39. Suppose you were to sell one-half interest in your business for cash, what entries would you make? 40. Suppose at closing books it is found that A has an interest amounting to $5000, B has an interest amounting to $4800, while C owes the concern $1200; what is the firm's net capital, the three men being partners? 41. A firm, whose partners were A and B, had a note against C for $75; this note not being thought very good, A agreed to sell his interest in it for $25; it is agreed upon and endorsed over to B; what entries must be made? 42. In partnership changes are the assets always taken at their nominal value? 43. In case the assets are not worth their face, and the Ledger has been closed, how can it be adjusted? 44. In case the Ledger has not been closed, how can such items of shrinkage in the value of personal accounts, or interest accrued, be entered?

# Petty Cash Book.

IN many kinds of business there are numerous receipts and payments of Cash of small amounts, which, if entered in the regular or General Cash Book, would soon encumber it, besides causing much additional writing. To obviate these difficulties, some one connected with the establishment is provided by the book-keeper with a sum of money sufficient to "make change," or to meet these little expenses for any given period, usually one day, which he enters on the Dr. side of the Petty Cash Book, and as the amounts are received or paid out during the day they are entered in the Petty Cash Book. This book is balanced daily and the balance paid over to the book-keeper, who enters the total receipts and payments of the Petty Cash Book in the General Cash Book as one amount, "To Mdse." or "By Expense," as the case may be.

## CAPITAL AND PRIVATE ACCOUNTS.

Where the partners of a business do not wish to disturb their original investment, it is frequently desirable for each partner to have two accounts in the Ledger, one for his Capital account and the other for his Private account. The latter is precisely like any personal account, and its object is to avoid the necessity of entering in the Capital account such frequent small amounts as the partners may, at various times, withdraw. The Capital account will stand credited with the original investment of the partner, and at the time of closing will be credited with his share of the profits, or charged with his share of the losses. The Private account at the end of the year will be closed into the Capital account, which, when balanced, will exhibit the partner's interest in the business.

It is sometimes agreed that each partner shall be restricted from drawing amounts from the business in excess of his share of the profits, so as to leave the capital undiminished during the continuance of the business. In such case the Profit and Loss account would be closed into the Private accounts of the partners, and these accounts would then be settled the same as other personal accounts on the Ledger.

## SALARIES AND INTEREST.

Where the partners in a business do not invest in equal amounts, or where they do not devote the same time and labor to the business, a convenient and usual method of adjusting the inequality is to allow each partner a salary, fixed according to the relative capital or services of the members of the firm. This method also furnishes a most satisfactory method of limiting the amounts which each partner may withdraw from the business. In such cases the Expense account should be charged for the salaries the same as for salaries of employes, and the respective partners credited. The entry would be as follows:

| | | | |
|---|---|---|---|
| Expense | | $300 | |
| | To A B, partner, | | $200 |
| | " C D, partner, | | 100 |
| | For salaries for month of August. | | |

Or it may be agreed that the inequality in investment shall be adjusted by allowing each partner interest on his investment and charging interest on his withdrawals. In such case the

difference between the interest on his investment during the time it was employed in business and on his withdrawals would be his net credit of interest, while the corresponding amount would be charged to the Interest account. The Journal Entry then would be:

| | | |
|---|---|---|
| Interest, | $265.30 | |
| To A B, partner, | | $189.60 |
| " C D, partner, | | 75.70 |

For interest at 6% upon their investments, less same upon withdrawals for year ending Dec. 31, 18—.

If this method should be objected to, upon the ground that it creates an unusual or fictitious charge in the Interest account, the matter may be adjusted between the partners by debiting one and crediting the other partner for his portion above or below the *average*. Thus in the above entry $189.60 + $75.70 = $265.30. The average, since the partners share gains and losses equally, would be $265.30 ÷ 2 = $132.65. A B's credit of interest $189.60 — $132.65 = $56.95, A B's credit. C D's credit of interest $75.70, which subtract from the average $132.65 = $56.95, C D's debit. The Journal Entry then would be:

| | | |
|---|---|---|
| C D, partner, | $56.95 | |
| To A B, partner, | | $56.95 |

For adjustment of interest upon investments and withdrawals, year ending Dec. 31, 18—.

The adjustment of salaries or interest due the partners should appear as the last transaction before closing the books.

## CHANGES IN PARTNERSHIPS.

One of the most difficult parts of an accountant's duties, and which often taxes his knowledge of the science of accounts as well as his ingenuity to its utmost, is frequently met with when a change occurs in the firm. If the assets and liabilities of the firm are to be taken at their nominal values, the process of arriving at the value of a partner's interest is the regular routine of closing the books, and the *Balance* of the partners' accounts after the Ledger is closed will exhibit their respective interests in the concern. But it very frequently happens that when partnership changes occur, a portion of the resources are not worth their nominal value. Some personal accounts and notes are doubtful, and allowances must be made; consignments are still unheard from or partially sold; notes have interest accrued upon them, both receivable and payable, all of which must be adjusted before the partnership change is consummated. In all such cases if the entries are made after the Ledger is closed, the partners' accounts must be charged with such shrinkage in assets, and Profit and Loss credited by means of a Journal Entry. If the entries are made before closing the Ledger, a charge, sufficient to cover the shrinkage in personal accounts, may be entered on the Dr. side of Profit and Loss account in red ink *To Balance*, sufficient to meet such deficiencies in the assets, and, after closing, this Balance will be brought down and stand as a liability on the credit side of the account. In like manner a Balance of Interest for accrued interest on notes outstanding may be entered on the Dr. side of Interest account, which, when brought down after closing, will show a liability of interest. It may be preferable to make the above entries first in the Journal in order to preserve a more complete explanation. Thus—

| | | |
|---|---|---|
| Interest, old account, | $25.33 | |
| To Interest, new account, | | $25.33 |

For accrued interest on the following credit accounts:

| | | | |
|---|---|---|---|
| Thos. Knapp | $4000 | 20 ds. 6 per cent. | $13.33 |
| E. C. Stuart's note | 600 | 90 ds. 8 per cent. | 12. |

After posting the interest to the old account, close it, and after ruling it up, post the credit item beneath the rulings.

In case an incoming partner makes no additional investment in the business, but simply purchases a portion of the present assets of the concern, the proper entry is to debit the

original proprietor or partner and credit the new partner for the amount of the assets as agreed upon. Thus, suppose A is possessed of a business valued at $9560 and sells one-half interest to B, the Journal Entry would be:

| | | |
|---|---|---|
| A, original proprietor, | $4780 | |
| To B, new partner, | | $4780 |

For one-half interest in the assets of the business.

It is likely that the new partner will pay to the original proprietor or partners more than this amount as a compensation for a portion of the good will or established reputation of the business, but the amount actually paid in such case is a private matter between the partners, and is not shown on the books.

## GOOD WILL.

The Good Will of a business is as valuable an asset as any, yet being intangible, difficult to estimate and liable to serious fluctuations, it is not usually shown upon the Ledger. In some cases, however, it is necessary to open an account with Good Will in order to get the proper credits upon the Ledger, and in any case where the Good Will of a business is transferred as an asset, it should be so stated in the articles of sale or agreement, in order to prevent the retiring partner from using the name and established reputation of the business elsewhere. An entry in the books charging Good Will for money paid to the retiring partner would be evidence, in case of dispute, that the continuing partner had purchased that along with the other assets of the concern.

In case a partner retires and the continuing partner pays him for his portion of the Good Will, if the money for such payment is taken from the business the continuing partner may be charged with it as money withdrawn for his private use, or the Good Will account may be debited.

If such money is paid from the private purse of the continuing partner, no entry need be made for it upon the books of the concern, unless the continuing partner becomes the sole proprietor after dissolution of the firm, and desires to show the amount actually invested by him, then it would be necessary to charge Good Will account with the amount as above stated.

Suppose A is possessed of a business in which the tangible assets are worth $10000 and the Good Will or reputation built up by him is worth $5000. He sells this business to B for $15000. B wishes the books to show his entire investment, as his profits must be based upon that amount of capital, therefore the entry would be:

| | | |
|---|---|---|
| A, | $10000 | |
| Good Will, | 5000 | |
| To B, | | $15000 |

In case an incoming partner, after investing assets or buying a portion of the existing assets of the business, pays the original proprietor a sum for a portion of the Good Will, no entry should be made for such payment unless the original partner is also credited for a like amount for *his* one-half of the Good Will, and Good Will account is debited.

# SIX-COLUMN JOURNAL.

WHEN the principles of the science of book-keeping are once thoroughly understood, and the relation of the different parts of a transaction to each other fully comprehended, the *form* of the books used becomes a mere matter of convenience. Anyone well versed in the science will be able to readily adapt himself to the use of any particular form.

Those forms of books are to be preferred which are best adapted to the nature and extent of the business, and which effect the greatest saving of time and labor. A very popular labor-saving form in use among book-keepers is the

## SIX-COLUMN JOURNAL,

illustrated in the following set. In this form of Journal we have three Dr. and three Cr. columns, the Dr.'s on the left and the Cr.'s on the right of the page. Cash and Merchandise items are entered in their respective columns; all others are carried to the "Sundries" or general column. As will be readily observed, the advantage in the use of this Journal is in not having to post separately the items of Cash and Merchandise, which occur frequently in business. The several columns are footed at the bottom of each page, and after being proved, as shown in the form hereafter given, the totals are carried forward to the top of the next page, and continued until the end of the week or month, when the footings of the "Mdse." columns are posted, the footings of the "Sundries" column are discontinued, and the *balance* of the "Cash" column only is carried forward to begin the new month, this balance being placed in the Dr. "Cash" column and in the Cr. "Sundries" column. The balance of Cash will be carried to the Trial Balance. Each item in the Sundries column is posted separately, as in other Journals.

The footings of the "Mdse." column will show the amount of the purchases and sales. The number of columns in such a Journal as this may be increased or diminished according to the nature of the business. In case the purchases of Merchandise were not frequent, the debit column of "Mdse." might be omitted and the purchase entered in the "Sundries" column, or an "Expense" column substituted for the "Mdse." Dr. Great care should be exercised in extending the amounts into their proper columns or the Ledger will be thrown out of balance.

In the following set the Journal is a book of original entry, each entry being supplied with the necessary explanations. A Sales Book and Bill Book should also be kept as auxiliary books in addition to the Six-Column Journal.

### LEDGER HEADINGS.

James A. Armstrong, 8; John D. Lyon, 8; Merchandise, 8; Bills Receivable, 8; Bills Payable, 8; Real Estate, 8; B. F. Wilson & Co., New York, 8; Jenkins & Williams, Richmond, Va., 8; Shipment Ellison & Pomeroy, Boston, 8; Ellison & Pomeroy, Boston, 8; H. B. Claflin & Co., 8; Ward & Brother, Omaha, 8; C. O. Barness, Madison, Wis., 8; E. J. Hopson & Co., New York, 6; Hammond & Reed, Nashville, Tenn., 8; Marshall Field & Co., 8; Fixtures, 8; Insurance, 8; Discount, 8; Expense, 10; Profit and Loss, 10.

### TRANSACTIONS.

19—

June 1. James A. Armstrong and John D. Lyon have this day entered into partnership for the purpose of conducting the wholesale dry goods business, under the firm name of Armstrong & Co., partners to be equal in gains and losses.

James A. Armstrong invests Cash, $5000; Store Building and Lot, valued at $8000, to be occupied by the business.

John D. Lyon invests stock of Dry Goods valued at $8000.

19—

June 1. Paid Cash for Counters and Shelving in store, $245.

" 2. Bought of B. F. Wilson & Co., New York, Merchandise per bill, $375. Gave in part payment our Note at 60 days, without interest for $100.

" 3. Bought of Diebold & Kenzie, on our Note at 60 days, Safe for use of store, $280.

" 5. Paid Cash for Postage Stamps, $5.

" 6. Sold to Jenkins & Williams, Richmond, Va., 1 ps. Cottonade, 39 yds. at 30¢; 1 ps. Gingham, 37 yds. at 12¢; 1 ps. Brown Duck, 38 yds. at 23¢; 1 ps. Cotton Flannel, 33 yds. at 20¢; 1 ps. Paper Cambric, 31 yds. at 10¢; 1 ps. Blue Denim, 35 yds. at 18¢; 1 ps. Irish Linen, 36 yds. at 50¢; 3 doz. Linen Napkins at $1.50; 2 doz. Linen Towels at $1.25; 3 doz. Ladies' Linen Cuffs at $3; 3 doz. Ladies' Linen Collars at $1.25, 4 doz. Balbriggan Hose at $9; 5 doz. Children's Cotton Hose at $1.25; 6 doz. Misses' Cotton Hose at $2; 1 doz. Ladies' Merino Vests, $12; 6 prs. Gents' Kid Gloves at $1.75; 1 Ottoman Shawl, $5; 10 doz. Spool Sewing Silk at 75¢; 10 doz. Barbour's Spool Linen at $1.25; 5 doz. Clark's Thread at 75¢; 4 M. Needles at $2; 6 gross Hooks and Eyes at 15¢; 3 doz. Leather Belts at $3.50; 4 doz. Thimbles at 40¢; 2 doz. Neck Ties at $5; Case and Drayage, $1.25. Total $***.**. Received in payment, Cash, $100; their Note at 30 days, $100.

" 7. Paid Cash to James A. Armstrong for private use, $20.

" 8. Accepted D. P. Brown's Draft at 3 days' sight on John D. Lyon, $100.

" 9. John D. Lyon invests in the business, Cash, $4000.

" 12. Shipped to Ellison & Pomeroy, Boston, to be sold for our account and risk, 6 doz. Leather Belts at $3.50; 4 doz. Neck Ties at $5; 10 gross Hooks and Eyes at 15¢; 10 doz. Spool Sewing Silk at 75¢; 10 doz. Ladies' Cotton Hose at $1.50; 3 doz. Children's Cotton Hose at $1.25; 1 doz. Ladies' Merino Vests, $12; 5 doz. Linen Napkins at $1.50; 5 doz. Linen Towels at $2; 6 doz. Ladies' Linen Cuffs at $3; 6 doz. Ladies' Linen Collars at $1.25; 5 M Needles at $2; 10 prs. Gents' Kid Gloves at $1.75; 3 doz. Balbriggan Hose at $9; 2 doz. French Wove Corsets at $6; 10 doz. Thimbles at 25¢; 3 doz. Ruches at $3; Case, $1. Total $***.**.

" 13. Drew on Ellison & Pomeroy, Boston, at 5 days' sight, and discounted Draft in First National Bank. Face of Draft, $150; Discount off, 50¢. Net proceeds received in Cash, $149.50.

13. Sold for Cash to Hudson & Co., Davenport, Ia., 1 ps. Merrimac D Print, 37 yds. at 9¢; 1 ps. Gingham, 31 yds. at 12¢; 1 ps. Brown Duck, 34 yds. at 20¢; 1 ps. Cotton Flannel, 36 yds. at 20¢; 1 ps. Cottonade, 33 yds. at 30¢; 1 ps. Irish Linen, 31 yds. at 50¢; 3 doz. Ladies' Merino Vests at $12; 4 doz. Balbriggan Hose at $9; 3 doz. Ladies' Cotton Hose at $3; 4 doz. Children's Cotton Hose at $1.50; 6 doz. Ladies' Linen Cuffs at $3; Case, 50¢, and Drayage, 50¢. Total $152.45.

" 14. Paid Cash for D. P. Brown's Draft on John D. Lyon, accepted on the 8th inst.

" 15. Have taken out a policy of Insurance in the Hartford Ins. Co. on stock of goods for $6000, and on store building, $2000. Paid Premium in Cash at 75¢, $**.

" 16. Bought of H. B. Claflin & Co. a bill of goods amounting to $750. Gave in payment, 1 ps. Merrimac D Print, 37 yds. at 9¢; 1 ps. Gingham, 31 yds. at 12¢; 1 ps. Brown Duck, 34 yds. at 20¢; 1 ps. Cotton Flannel, 36 yds. at 20¢; 1 ps. Cottonade, 33 yds. at 30¢; 1 ps. Irish Linen, 31 yds. at 50¢; 1 doz. Ladies' Merino Vests, $12; 2 doz. Balbriggan Hose at $9; 3 doz. Ladies' Cotton Hose at $3; 3 doz. Children's Cotton Hose at $1.50; 4 doz. Linen Towels at $2; 5 doz. Ladies' Linen Cuffs at $3; 5 doz. Ladies' Linen Collars at $1.25; 6 prs. Gents' Kid Gloves at $1.75; 5 doz. Spool Sewing Silk at 75¢; 3 doz. Coats' Thread at 75¢; 2 M Needles at $2; 5 gross Hooks and Eyes at 15¢. Total $140.45.

Chicago, June 1, 19—

| Mdse. | Cash. | Sundries. | | L. F. | | L. F. | Sundries. | | Cash. | Mdse. | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | James A. Armstrong and John D. Lyon have this day formed a copartnership for the purpose of conducting the Wholesale Dry Goods business. Firm name to be Armstrong & Co. Partners to be equal in gains and loss. | | | | | | |
| | | | | | Sundries To J. A. Armstrong | | 13000 | | | | |
| | 5000 | | | ✓ | Cash | | | | | | |
| | | 8000 | | | Real Estate<br>For J. A. Armstrong's Investment of Cash and Store Building and Lot. | | | | | | |
| | | | | | 1 | | | | | | |
| 8000 | | | | ✓ | Mdse. To John D. Lyon<br>For stock of goods invested | | 8000 | | | | |
| | | | | | 4 | | | | | | |
| | | 245 | | | Fixtures To Cash<br>For Counters and Shelving for store. | ✓ | | | 245 | | |
| | | | | | 2 | | | | | | |
| 375 | | | | ✓ | Mdse. To B. F. Wilson & Co.<br>For Invoice of goods bought on 60 days. | | 375 | | | | |
| | | | | | 1 | | | | | | |
| | | 100 | | | B. F. Wilson & Co., N. Y.<br>To Bills Payable<br>For Note at 60 days given them on account. | | 100 | | | | |
| | | | | | 3 | | | | | | |
| | | 280 | | | Fixtures To Bills Pay<br>For Safe bought of Diebold & Kenzie on our Note at 60 days. | | 280 | | | | |
| | | | | | 5 | | | | | | |
| | | 5 | | | Expense To Cash<br>For Postage Stamps. | ✓ | | | 5 | | |
| | | | | | 6 | | | | | | |
| | | 216 | 38 | | Jenkins & Williams To Mdse. Richmond, Va.<br>For Bill of goods sold them | ✓ | | | | 216 | 38 |
| 8375 | 5000 | 8846 | 38 | | Amounts carried forward | | 21755 | | 250 | 216 | 38 |
| | | 5000 | | | Cash | | 250 | | | | |
| | | 8375 | | | Mdse. | | 216 | 38 | | | |
| | | 22221 | 38 | | Proof | | 22221 | 38 | | | |

Chicago, June 6, 19—

| Mdse | Cash. | Sundries | | L. F. | | L. F. | Sundries | Cash. | Mdse. | |
|---|---|---|---|---|---|---|---|---|---|---|
| 8375 | 5000 | 8846 | 38 | | Amounts brought forward | | 21755 | 250 | 216 | 38 |
| | | | | | Sundries To Jenkins & Williams | | 200 | | | |
| | 100 | | | √ | Cash | | | | | |
| | | 100 | | | Bills Rec.<br>For Cash and Note at 30 days received on account. | | | | | |
| | | | | | 7 | | | | | |
| | | 20 | | | J. A. Armstrong To Cash<br>Withdrawn for private use | √ | | 20 | | |
| | | | | | 8 | | | | | |
| | | 100 | | | John D. Lyon To Bills Payable<br>Accepted D. P. Brown's draft at 3 days' sight on J. D. Lyon. | | 100 | | | |
| | | | | | 9 | | | | | |
| | 4000 | | | √ | Cash To John D. Lyon<br>Invested in business. | | 4000 | | | |

19—

June 18. Paid Cash to Phœnix Printing Co. for printing Bill Heads, Envelopes, etc., $17.50.

" 19. James A. Armstrong has this day received as a bequest from a deceased relative, Cash $2500, which he has invested in the business.

" 19. Sold for Cash to Henry D. Brown & Co., Nashville, Tenn., 10 doz. Leather Belts at $3.50; 8 doz. Neck Ties at $5; 6 doz. Ladies' Merino Vests at $13; 5 doz. Linen Napkins at $1.60; 12 doz. Linen Towels at $2; 6 doz. Ladies' Linen Cuffs at $3; 10 doz. Ladies' Linen Collars at $1.25; 5 M Needles at $2; 20 prs. Gents' Kid Gloves at $1.75; 3 doz. Balbriggan Hose at $8; 4 doz. French Wove Corsets at $6; 2 doz. Ruches at $3; Case, 50¢. Total $315.

" 20. Sold to Ward & Brother, Omaha, 1 ps. Cottonade, 37 yds. at 30¢; 1 ps. Cotton Flannel, 31 yds. at 20¢; 1 ps. Merrimac D Print, 30 yds. at 9¢; 1 ps. Paper Cambric, 31 yds. at 10¢; 1 ps. Denim, 33 yds. at 18¢; 1 ps. Irish Linen, 31 yds. at 50¢; 5 doz. Ladies' Cotton Hose at $3; 5 doz. Balbriggan Hose at $9; 4 doz. Children's Cotton Hose at $1.50; 1 doz. Merino Vests, $12; 10 prs. Gents' Kid Gloves at $1.75; 1 Ottoman Shawl, $5; 10 doz. Spool Sewing Silk at 75¢; 10 doz. Clark's Thread at 75¢; 10 doz. Barbour's Spool Linen at $1.25; 5 M Needles at $2; 5 gross Hooks and Eyes at 15¢; 3 doz. Leather Belts at $3.50; 10 doz. Thimbles at 25¢; 5 doz. Neck Ties at $5; Case and Drayage, $1.25. Total $222.54. Received in payment, Cash, $125; their Note at 1 month, $75.

" 22. Paid Cash for Clerk hire to date, $25.

" 23. Received an Account Sales from Ellison & Pomeroy, Boston, of our shipment of the 12th inst. Net proceeds, $246.80.

" 25. Received of Jenkins & Williams, Richmond, Va., their Check on Chemical National Bank, New York, to close their account, $***.**.

" 25. Sold for Cash to Amos, Baldwin & Cole, Detroit, Mich., 4 doz. Neck Ties at $5; 10 doz. Ladies' Cotton Hose at $1.50; 2 doz. Ladies' Merino Vests at $12; 8 doz. Linen Napkins at $1.50; 6 doz. Linen Towels at $2; 6 doz. Ladies' Linen Cuffs at $3; 10 doz. Ladies' Linen Collars at $1.25; 4 prs. Gents' Kid Gloves at $1.75; 3 doz. Balbriggan Hose at $10; 4 doz. French Wove Corsets at $7; 10 doz. Barbour's Spool Linen at $1.25. Total $***.

" 26. Sold to C. O. Barness, Madison, Wis., 1 ps. Gingham, 33 yds. at 12¢; 1 ps. Brown Denim, 32 yds. at 18¢; 1 ps. Cottonade, 31 yds. at 30¢; 1 ps. Cotton Flannel, 30 yds. at 20¢; 1 ps. Irish Linen, 31 yds. at 50¢; 4 doz. Linen Napkins at $1.50; 5 doz. Linen Towels at $1.75; 6 doz. Ladies' Linen Cuffs at $3; 6 doz. Ladies' Linen Collars at $1.25; 4 doz. Balbriggan Hose at $9; 6 doz. Ladies' Cotton Hose at $3; 3 doz. Children's Cotton Hose at $1.50; 2 doz. Ladies' Merino Vests at $12; 12 prs. Gents' Kid Gloves at $1.50; 10 doz. Spool Sewing Silk at 75¢; 10 doz. Clark's Thread at 75¢; 3 M Needles at $2; 10 gross Hooks and Eyes at 15¢; Cas and Drayage, $1. Total $204.77. Received in payment our Note favor B. F. Wilson & Co., $100; Discount on Note, $.65.

" 27 Ward & Brother, Omaha, having failed, we have accepted 25¢ on the dollar in satisfaction of their Note for $75, and account, $***.**. Cash received, $24.38.

" 29. We have received advice from C. O. Barness, Madison, Wis., that the goods shipped him on the 26th inst. were short in quantity and defective in quality. We have allowed a rebate of $12 and placed same to his credit.

" 30. Jenkins & Williams' Check on Chemical National Bank, New York, has been dishonored, which we charge to their account, $***.**.

" 30. Paid Cash for Clerk hire in full, $14.

## INVENTORY.

| | |
|---|---|
| Merchandise on hand, | $7773.40 |
| Fixtures, | 515. |
| Store Building and Lot, | 8000. |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $12070.83 |
| Bills Receivable on hand, | 100. |
| Bills Payable outstanding, | 280. |
| Personal Accounts owing to the firm, | 206.60 |
| Personal Accounts the firm owe, | 884.55 |
| James A. Armstrong's Net Capital, | 15540.64 |
| John D. Lyon's " " | 11960.64 |

## TRANSACTIONS.

19—

July 2. Sold to Hammond & Reed, Nashville, Tenn., on account, 1 ps. Cottonade, 39 yds. at 30¢; 1 ps. Gingham, 37 yds. at 12¢; 1 ps. Brown Duck, 38 yds. at 23c; 1 ps. Cotton Flannel, 33 yds. at 20c; 1 ps. Paper Cambric; 31 yds. at 10¢; 1 ps. Blue Denim, 35 yds. at 18¢; 1 ps. Irish Linen, 36 yds. at 50¢; 3 doz. Linen Napkins at $1.50; 2 doz. Linen Towels at $1.25; 3 doz. Ladies' Linen Cuffs at $3; 3 doz. Ladies' Linen Collars at $1.25; 4 doz. Balbriggan Hose at $9; 5 doz. Children's Cotton Hose at $1.25; 6 doz. Misses' Cotton Hose at $2; 1 doz. Ladies' Merino Vests, $12; 6 prs. Gents' Kid Gloves at $1.75; 1 Ottoman Shawl, $5; 10 doz. Spool Sewing Silk at 75¢. Total $167.88.

" 3. Received from Marshall Field & Co., invoice of Dress Goods on 30 days' credit, $418.20.

" 5. Sold to J. C. Anderson, Akron, Ohio, 5 doz. Linen Napkins at $1.50; 2 doz. Ladies' Linen Cuffs at $2; 3 doz. Ladies' Linen Collars at $1.10; 12 prs. Gents' Kid Gloves at $1.75; 5 doz. Balbriggan Hose at $6; 2 doz. French Wove Corsets at $5; 10 doz. Thimbles at 25¢. Total $**.**. Received Cash for same in full.

" 5. Received an invoice of goods to arrive from E. J. Hopson & Co., New York, $246.50. They were shipped by freight on the 3rd inst.*

" 5. Paid H. B. Claflin & Co. on account, Cash, $200.

" 6. Sold to C. O. Barness, Madison, Wis., 5 doz. Neck Ties at $5; 10 doz. Thimbles at 25¢; 3 doz. Leather Belts at $3.50; 5 gross Hooks and Eyes at 15¢; 10 doz. Barbour's Spool Linen at $1.25; 10 doz. Clark's Thread at 75¢; 10 doz. Spool Sewing Silk at 75¢; 5 prs. Gents' Kid Gloves at $1.80; 6 doz. Children's Cotton Hose at $1.50; 6 doz. Ladies' Cotton Hose at $3; Case, 50¢, and Drayage, 75¢. Total $103.50. Received in payment Cash for one-half; balance on account.

" 8. On the night of the 6th inst. a fire broke out in our store, which totally destroyed stock, fixtures and building. The safe proved to be fire proof, as represented, and our books and papers are uninjured. We now proceed to make out our statement of loss. As this statement shows our loss to be far greater than the amount of our insurance, there will be no trouble about the adjustment.

---

*It is customary with large dry goods houses, especially, to enter up Invoices, as soon as received. This is correct in theory as well as practice, because the goods are the property of the buyer the moment they are delivered to the railroad or other transportation company. If they are never received, they must be paid for exactly the same. If the goods are slow in arriving they are paid for in many instances before being received, rather than the house lapse the discount. After the goods arrive they are checked up by the department clerk, and any shortage is reported to the office, where it is properly charged up.

# STATEMENT OF FIRE LOSS

SUSTAINED BY ARMSTRONG & CO., ON JULY 6, 19—

| | | | | |
|---|---|---|---|---|
| Value of Merchandise on hand July 1, 18—, as per inventory, | | | **** | ** |
| Purchases during July, per Invoice Book and Bills, | *** | ** | | |
| Less Invoice from E. J. Hopson & Co. (goods in transit), | *** | ** | *** | ** |
| | | | **** | ** |
| Sales, per Sales Book, | *** | ** | | |
| Less estimated profit of 20% on cost, | ** | ** | *** | ** |
| Value of goods destroyed, | | | **** | ** |
| Value of store building, | | | 3000 | |
| Value of fixtures, | | | 500 | |
| Gross loss, | | | ***** | ** |
| Insurance policy on Merchandise, | 6000 | | | |
| Insurance policy on Building, | 2000 | | 8000 | |
| Net loss, | | | 3400 | 20 |

Every item as set forth in the above statement, can be proved by books and papers in the hands of the firm. Our reputation in the community is such that no suspicion can be raised of our having removed goods before the fire. Our inventory shows the goods on hand July 1st, while the invoices show the purchases since then. The Sales Book shows our sales, which the parties to whom the goods were sold will testify to if necessary. As to the profit of 20%, we can show that

| | |
|---|---|
| In June our sales were | $1645.34 |
| Our profits per Mdse. account were | 281.74 |
| Which showed the cost to be | $1363.60 |

To find what rate of profit $281.74 is to $1363.60, it is only necessary to divide 281.74 by 1363.60, which gives 20 + %.

The rate of profit might also be established by making an average comparison of the prices in the Invoices with the same goods in the Sales Book.

In case the loss is not total, but a considerable amount of goods are saved, the adjustment would be more difficult, as it would involve the question of the value of the part saved. In any case, however, the student cannot fail to see the great value to the business man of a systematically kept set of books, in an emergency like this.

# PROFITS.

THE student must remember that his books may be mathematically correct, and yet not exhibit the true condition of the business. We are accustomed to say that the difference between the two sides of the Profit and Loss account shows the net gain or net loss, and yet this may be very far from the fact. Profits on paper and real, existing profits, in ready cash or its equivalent, are not always the same. The Profit and Loss account will show our real profits only when we have placed the proper value on our assets. Do our assets consist of Cash or its equivalent? If not, are they readily convertible into cash without a heavy discount? Are they of a stable or permanent nature, or are they perishable or liable to sudden depreciation? These are vital questions to the business man who may be compelled to realize on his assets suddenly in order to meet existing liabilities, for be it remembered that, while there may be a great shrinkage in assets there is never any such diminution in liabilities.

Suppose the assets at the close of the year are taken at their nominal value, which is in excess of the real value, it follows that the difference between the two sides of the Profit and Loss account will show a fictitious gain, and when this is carried to the credit of the proprietor's account it will exhibit a fictitious capital. As a result, the merchant may be misled into overtrading, with all its disastrous consequences, and may even overstep the brink of disaster without being aware of his danger. In order to avoid this and cause the balance of the proprietor's account to show his real capital as nearly as possible, many prudent firms carry but a part of the balance of the Profit and Loss account into the proprietor's account, and the remainder is either brought down "By Balance" or carried to the credit of a new account called a "Guaranty Account," or "Reserve Fund." The balance of the profits thus set apart is supposed to be sufficient to cover any loss or shrinkage in the assets of the concern.

Banks and corporations uniformly adopt this plan of paying out only a portion of the year's profits to the stockholders and setting the remainder aside as a "Reserve Fund" to meet bad debts or deficiencies in the profits of future years, thereby securing to the stockholders uniform dividends, even should the profits fall short of the amount usually paid as dividends during any year, and preventing any such sudden fluctuations in the market price of the capital stock of the company as would be likely to follow a diminished dividend.

## PRIVATE LEDGER.

Success in business frequently depends upon prudence in withholding certain information concerning the business from those who are not entitled to possess it. The business man who exposes his affairs to public gaze, or even to the knowledge of his employes, will seldom reach great success. It is often desirable to conceal a knowledge of the amount of capital invested and the proportions invested by the several partners. Perhaps the earnings of the business or the amount of gain or loss must be withheld from the knowledge of others. If several clerks are employed, it may be policy to keep from their access a knowledge of their respective salaries. In all such cases the Private Ledger is necessary, for while every book-keeper should consider his employer's affairs as his own secrets, to be kept strictly *confidential*, yet where everything is entered upon the public Ledger, to which other employes may have occasional access, the information contained therein cannot be considered as strictly secret. The Private Ledger is usually a small book kept by the proprietor or partners of the business under lock and key. Its use will appear from the following: Suppose that the only information desired to be kept private is the names of the partners and the amount of capital invested by each. In

this case the book-keeper is furnished at commencing with the total capital of the firm, which he carries to the credit of *Stock* account on the public Ledger. This account represents the firm in aggregate, and at the time of closing the books it will receive the gains or losses from the Profit and Loss account. Thus the book-keeper is in total ignorance of who constitutes the firm, their investments and how they share the profits. In the Private Ledger kept by the partners an account will be opened with each partner, which will be credited with his investments and debited with liabilities which the firm has assumed. Each partner's account in the Private Ledger at the time of closing will be credited with his share of the gains as per the partnership agreement. The sum of the partners' accounts in the Private Ledger should equal the Stock account in the public Ledger.

Should it be desired to prevent a knowledge of the capital employed in the business, it is necessary to withhold from the book-keeper a knowledge of the assets and liabilities, or a portion of the principal assets (usually Merchandise only) and liabilities. In this case an account is opened in the public Ledger with "Private Ledger," which is debited and credited with the sum total of the accounts in the Private Ledger, and in the Private Ledger an account is opened, not only with each partner but also with those assets and liabilities which have not been given to the book-keeper. The two Ledgers thus really constitute one book, but being bound separately, one part is kept by the partners privately, while the other and larger part is kept by the book-keeper.

But it may be desired, not only to withhold from the book-keeper the names and investments of the several partners, and a knowledge of the capital employed in the business, but also a knowledge of the gains and losses. Since the principal gain is made on Merchandise, it follows that if the book-keeper is prevented from making up the Merchandise account he can know nothing of the prosperity of the business. Open an account in the Private Ledger with each partner and with Merchandise. Furnish the book-keeper with a statement of all the assets except Merchandise. Let an account with Merchandise be opened on the public Ledger to represent the current purchases and sales. It is evident that since the public Ledger does not contain the investments of the partners or all of the assets of the concern, it will not balance. When the book-keeper desires to take a Trial Balance, he must be furnished with the totals of the accounts in the Private Ledger, which, added in the Trial Balance, will produce a balance. At the time of closing, the book-keeper will close all representative accounts into Profit and Loss, except Merchandise. The total debits and credits of Merchandise in the public Ledger will be carried to the Merchandise account in the Private Ledger, after which the account will be closed in the usual way, and the balance brought down, the gain or loss being carried into Profit and Loss account, and this account closed into the partners', when they will be balanced and the balances brought down. The Merchandise account in the public Ledger will be ruled up and the amounts not carried forward.

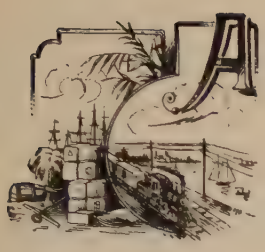
After closing as before explained, the books may be continued in the same manner, always making use of the footings of the Private Ledger in taking off a Trial Balance. By this method it is apparent that only those having access to the Private Ledger can know anything of the gains or losses of the business, the respective interests of the partners of the concern, or the capital invested in the business.

The intelligent and thoughtful student will not fail to see that other objects may be accomplished in a manner similar to this, by following out the same line of procedure. Our object is not to do the student's thinking for him, but to *teach him to think*, and give direction to his thoughts. Having learned to apply the rules and principles of book-keeping, he will then be able to meet those difficulties which arise in the experience of every practical book-keeper, and which often tax the thought and skill of the most efficient.

## QUESTIONS FOR REVIEW.

1. What are the peculiarities in form of the Six-Column Journal? 2. What are the advantages to be gained by the use of this form of Journal? 3. How do you post the items found in the Six-Column Journal? 4. What does the footing of the debit Merchandise column show at the end of the month? 5. Where is this amount posted? 6. What does the footing of the credit Merchandise column show at the end of the month? 7. Where is this amount posted? 8. What is the object of a "Statement of Fire Loss?" 9. How do you arrive at the value of the goods lost in case of total loss? 10. How are the items as set forth in the Statement of Fire Loss to be proved? 11. How do you prove the rate of profit on goods sold? 12. Does the difference between the two sides of the Profit and Loss account in your Ledger always show your gain or loss if the books are mathematically correct? 13. Under what circumstances will the Profit and Loss account show the real profits or losses of the business when closed? 14. What questions are vital to the business man when closing his books? 15. What may be the result in case fictitious gains are carried to the credit of the Capital account? 16. How do many prudent firms close their Profit and Loss account in order to provide against bad debts or shrinkage in the assets of the concern? 17. Can you have a *Balance* entry in your Profit and Loss account? 18. What is a Guaranty account, and what is its use? 19. What plan do corporations adopt with reference to distributing their profits? 20. What other purpose does this plan serve in the case of corporations? 21. What does success in business frequently depend upon? 22. What facts is it frequently desirable to conceal? 23. What is the object of a Private Ledger? 24. Who has charge of the Private Ledger? 25. Explain how you would conceal the names of the partners and the capital invested by each? 26. What accounts are opened in the Private Ledger? 27. What will the sum of the accounts in the Private Ledger equal? 28. How would you withhold from the bookkeeper a knowledge of the capital employed in the business? 29. In the above case, what account would be opened in the Private Ledger except the partners' accounts? 30. Is it possible to withhold from the knowledge of the book-keeper the gains and losses of the business? 31. Explain how this can be done? 32. In this case, what will the Merchandise account in the Public Ledger show? 33. In what Ledger will the Profit and Loss account be opened? 34. When a Trial Balance is wanted, how can it be taken? 45 Can other objects be accomplished by the use of the Private Ledger?

# COMMISSION.



VERY large part of the produce and live stock of the country is received in the cities, placed upon the market, and sold by a class of persons called Commission Merchants. The charge for such service is a percentage on the amount of sales. Live stock is sold at the yards, grain and pork on 'change at the Board of Trade, and the smaller products usually at the store of the Commission Merchant. It is to the latter, called Produce Commission, that this chapter is devoted.

The Commission Merchant is the agent of the shipper or owner, and must obey his instructions, but, unlike other agents, he assumes all responsibility as to payment, in case the goods are sold on credit. The commission charged may be called a *guaranty* commission, being sufficiently large to justify the Commission Merchant in assuming the risk of payment. It is therefore no concern of the shipper's whether his product is sold for cash or on credit, or to whom sold; his only concern is in selecting a responsible Commission Merchant. As soon as the produce is sold, the shipper receives his returns without reference to whether the goods have been paid for or not.

When the quantity shipped is large and liable to be not sold promptly, the Commission Merchant frequently advances a sum of money to the shipper as desired, not exceeding one-half to three-fourths the value of the consignment. This is usually done by means of a sight draft drawn by the shipper upon the Commission Merchant. When the consignment is all sold, the commission, together with any other charges, such as freight, cartage, storage, etc., is deducted from the gross sales, and the remainder called the *Net Proceeds* is remitted to the consignor, less any previous advances, or placed to his credit, subject to his order. In exceptional cases, when the shipper and Commission Merchant sustain intimate relations with each other, or where the product is bought under the direction or advice of the Commission Merchant, a shipment is made as "*joint account*"—the Commission Merchant sharing in the gains and losses of the venture. Such transactions are unusual, and many firms decline such business entirely.

Every Commisson Merchant finds it occasionally necessary to buy merchandise in the market for the purpose of filling orders of his customers, and thus the character of a wholesaler is, to a slight degree, combined with that of commission merchant. Or, during the dull season of the year, when the Commission Merchant is not using his ready cash, he frequently buys a quantity of produce and holds it for a rise in value, thus assuming a speculative character for the time. Transactions of this kind are so few and exceptional that they are usually run through the regular commission books.

Not wishing to disclose the names of his shippers to his rivals in the trade, each Commission Merchant provides his shipper with a stencil, bearing the name and address of the Commission Merchant, and a number, with which the shipper marks all casks, baskets or barrels, preparatory to shipment. The number of the stencil is registered upon the books of the Commission Merchant, opposite the name and address of the shipper.

THOMAS MASON
9806
240 S. Water Street,
CHICAGO.

As the goods are received in store, they are entered by the Receiving Clerk upon a book called the

## RECEIVING BOOK,

Ruled with columns for convenience as shown on page 174. Items of freight and cartage are entered on this book, giving the name of the railroad or express company, and if a car load lot, the number of the car. Damaged goods are noted. Each lot of goods is given a number, called a *Lot Number*, and thereafter such goods are designated by their lot number instead of the shipper's name. The stecnil number is taken from the boxes, and at his earliest conve-

nience the Receiving Clerk consults his register and fills in the name and residence of the shipper. From this book the entries are carried to the Commission Sales Book.

## THE SALES BOOK.

When goods are sold the salesman fills out a Sales Ticket as per form shown herewith, giving name of person to whom sold, lot number, quantity and price. The record of the sale is posted directly from the Sales Ticket to the Commission Sales Book, and if the goods are sold on credit, also to the debit of the purchaser in the Ledger. These Sales Tickets may be bound together, and thus constitute the Sales Book of the house. For convenience in this set, however, we have introduced a regular form of Sales Book, containing two sets of money columns. See form on page 178. The first money column is for the amounts and cash sales. The second column is for sales on credit. Opposite each article sold is given the lot number to which it belongs. Items sold for cash are checked ✓ and entered in the Cash Book, while items sold on credit are posted to the Ledger and post-marked. At the end of the month the total of the *Sales* column is posted to the credit of that account in the Ledger.

**THOMAS MASON,**

240 SOUTH WATER STREET.

*Sold to*.....

NO.

## COMMISSION SALES BOOK.

See form on page 175. In the first column at the left of the page is entered the *Lot Number*. Opposite this is given the name and address of the shipper and articles received. The freight and cartage are entered in the first column on the right-hand side of the page, giving the initials of the railroad company. As the goods are sold they are entered from the sales ticket upon the right-hand side of this book, entering quantities and prices only. The price is placed in the central column, opposite which is written the number of barrels, boxes, or pounds. If the goods are in sacks or cases and yet sold by the pound, this is expressed in figures, thus: 10 boxes 560 lbs. would be $\frac{10}{560}$. After the consignment is all sold the computation is made and the total carried to the top of the last column at the right of the page. The commission is reckoned and placed together with other charges in the column beneath the freight and cartage. These items are footed and extended into the right-hand column, deducted, and the difference or net proceeds shown as the footing. The checkmark ✓ indicates that the statement called an *Account Sales* has been rendered to the shipper, and below it is given in figures, the day, month and year when it was rendered. The sale is now said to be *closed*. A Journal entry is next made in the

## ACCOUNT SALES JOURNAL.

This book differs from the ordinary Journal by having several columns for the items, so that an entry usually occupies but one line. See form, page 174. The Journal entry on closing a sale would show debits and credits as follows:

Sales. To Sundries.
" Freight.
" Cartage.
" Commission.
" Shipper for Net Proceeds.

The use of columns in the Journal avoids so much space as is required above. In case other items than those having columns should occur, they must be written below as in an ordinary Journal entry. The items in the *Sundries* column represent the net proceeds of the consignment. In case they have been remitted to the Shipper they are of course entered in the Cash Book, and hence will be checked ✓ in the Journal. If the Net Proceeds are not remitted they are posted to the shipper's credit and post-marked in the Journal. At the end of the month the Journal is footed, the total of Gross Sales is posted to the debit of *Sales* account in the Ledger, while the total of the freight, cartage and commission are posted to the credit of those accounts, as shown in the form on page 174. *Remember that a Journal entry must be made whenever a Sale is closed.*

## CASH BOOK.

This book contains three columns on each side. The *Sales* column on the Dr. side is to contain all cash sales of commission goods. By some book-keepers the total of the *Sales Tickets* for the day is entered in this column in one amount, but for the better understanding of the subject we have itemized such sales. On the Cr. side we have in addition to the Sundries column a column for Freight and also another for Cartage. These items are very frequent in the Commission business, and many firms keep a Petty Cash Book in which such are entered; but instead, the columns will be here used. All items in the Sundries columns are to be posted and post-marked, as in any ordinary Cash Book.

A bills Receivable Book may be kept as an auxiliary book to record the maturity of Notes received, in a business requiring it.

In the following set the first month is worked out, but, unless preferred, the student need not close the Ledger until the end of the three months.

## LEDGER HEADINGS.

Each account in the Ledger should have the following number of lines: B. F. Wilson, 6; C. A. Allis, 6; Sales; 10. Merchandise, 8; Freight, 10; Cartage, 10; Insurance 6; Inspection, 6; Cooperage, 6; Commission, 10; Storage, 6, J. Richardson & Co., City, 6; Flagg & Baldwin, Columbus, Ohio, 8; R. H. Davidson, La Porte, Ind., 6; Baker & Co., Quincy, Ill., 6; William McClain, Iowa City, Ia., 8; D. Heenan & Co., Streater, Ill., 10; Robert Barnes, Waukesha, Wis., 8; Hayes & Co., Detroit, Mich., 6; Sprague, Warner & Co., City, 8; A. S. Davis, Burlington, Ia., 6; Geo. E. Howes, Jacksonville, Ill., 6; Gray, Kingman & Collins, Chicago, 6; J. T. Armour, Milwaukee, Wis., 6; Harmon, Mirriam & Co., 6; Ferris & Sherman, Freeport, Ill., 6; Morgan Doyle, Grand Rapids, Mich., 6; Bills Receivable, 6; Interest and Discount, 6; Expense, 6; Profit and Loss, 8.

### TRANSACTIONS.

19—

Sept. 1. B. F. Wilson and C. A. Allis have this day entered into partnership in the Commission business, both partners to be active in business, and equal in gains and losses. B. F. Wilson invests Cash, $1500; C. A. Allis invests cash, $1000. Total, $2500.

C. B. and post.

" 1. Paid Cash for set of Blank Books, $15.

" 1. Paid Cash for 1 month's Rent of Store, $50.

19—

Sept. 3. Received by C., B. & Q. Railroad, from No. 1268, Baker & Co., Quincy, Ill., to be sold for their account and risk, 100 brls. Family Flour. Paid Cash for Freight on same, $25, and Cartage, $10.

Lot No. 1, R. B., C. S. B., C. B., and check the entries.

" 4. Advanced Cash to Baker & Co., Quincy, Ill., on their consignment, by paying their sight draft on us for $300.

C. B. and post the entry.

" 4. Sold to J. Richardson & Co., City, 30 brls. Family Flour (Lot No. 1) at $9, $270. Received in payment, Cash, $200. The balance on account, $70.

Enter price and quantity as sold in C. S. B. Enter in the S. B. and post to the debit of the parties to whom sold. Enter the cash in the C. B. and post to the credit of the same parties.

" 5. Received by Lake Shore & Michigan Southern Railroad, from No. 469, R. H. Davidson, La Porte, Ind., 240 brls. Apples. Paid Cash for Freight, $18.60, and Cartage, $11.40.

Lot No. 2, R. B., C. S. B. and C. B.

" 5. Procured Insurance in the Washington Ins. Co. to cover property in store. Policy, $5000. Premium at 40¢ paid in Cash.*

Insurance account, C. B.

" 5. Paid Cash to John Schultz for Cooperage on 50 brls. Flour belonging to Lot No. 1, $1.50.

C. S. B., C. B., and post the entry.

" 8. Received via C. & N. W. R. R. from No. 916, J. T. Armour, Milwaukee, to be sold on joint account of himself and ourselves, each one-half, 200 brls. Cranberries at $6. Paid Cash for Freight, $20, and Cartage, $18.

Lot No. 3, R. B., C. S. B., C. B.

" 8. Sold for Cash to Hiram Wheeler, 50 brls. Apples (Lot No. 2), at $3, $150.

C. S. B., S. B., and C. B. and check the entries.

" 9. Received by American Express from No. 415, John M. Shaw, St. Joseph, Mich., for sale on his account and risk, 100 baskets Peaches. Express Charges, $2.40, and Cartage, $1, paid in cash. The receiving clerk finds 1 basket short.

" 9. Paid Cash for Inspection bill on Flour, Lot No. 1, $12.†

" 9. Sold to Tremont House for Cash, 50 baskets Peaches (Lot No. 4) at 25¢, $12.50.

" 10. Sold to Flagg & Baldwin, Columbus, Ohio, 10 brls. Family Flour (Lot No. 1) at $9, $90. Received in payment, Cash, $50. The balance on account, $40.

" 10. Sold for Cash to Eli Bates, 25 brls. Apples (Lot No. 2) at $3, $75.

" 10. Sold for Cash to C. H. Slack, 49 baskets Peaches (Lot No. 4) at 20¢, $9.80.

" 10. Closed John M. Shaw's consignment and rendered him an Account Sales. Total Sales, $22.30. Our commission at 10%‡ is $2.23. Net proceeds remitted him per Check, $16.67.§

Enter the Commission in C. S. B. Rule and foot. Enter the net proceeds in the Cash Book and check the entry. Make an entry in the Account Sales Journal and check the entry. Check off the account in C. S. B. and enter date of closing.

---

* It is customary, especially in the grain commission business, for Commission Merchants to secure Insurance to cover any property that may be in store, and charge to each consignment a share of such expense. Thus the Commission Merchant becomes the insurer of the shipper's goods, and in turn transfers his risk to the insurance company.

† The Inspector is an official appointed by the State, whose duty it is to inspect any product and condemn that which is unfit for use. His services are paid by the Commission Merchant or owner.

‡ The customary rate of commission is ten per cent. on perishable produce and five per cent. on all other, and five per cent. on all produce sold "on track," that is, without removing from the cars.

§ Some book-keepers open an account in the Ledger with every shipper, but if the proceeds are remitted in cash it would seem sufficient to treat it like any other payment, by entering the amount on the credit side of Cash Book and Account Sales Journal and checking the entries.

19—

Sept. 10. Sold to Geo. M. Pence for Cash, 20 brls. Cranberries (Lot No. 3) at $9, $***; 10 brls. Family Flour (Lot No. 1) at $*, $***; 10 brls. Apples (Lot No. 2) at $3, $***; Total $***.

" 12. Cashed R. H. Davidson's Draft on us for $100.

" 15. Received by Michigan Central Railroad from No. 327, Hayes & Co., Detroit, Mich., for sale on their account and risk, 100 boxes Cheese, 5580 lbs. Paid Cash for Freight, $18.50, and Cartage, $8.

" 16. Received by U. S. Express from No. 186, Geo. W. Kingman, Benton Harbor, Mich., for sale on his account and risk, 20 cases Blackberries. Paid Cash for Express Charges, $1.80, and Cartage, 25¢. The receiving Clerk finds 1 case damaged, worthless.

" 17 Sold for Cash to the Palmer House, 19 cases Blackberries (Lot No. 6) at $1.40 $26.60.

" 17. Closed Geo. W. Kingman's consignment and rendered him an Account Sales. Total Sales, $26.60. Our commission at 10% is $2.66. Net proceeds remitted him per Check, $21.89.*

See explanation to entry of Sept. 10

" 17. The market indicates fair prospects of a rise in the value of Potatoes, and we have this day purchased for Cash 500 bu. Early Rose at 40¢, $200.

Enter in C. S. B., using "Mdse." instead of name of shipper.

" 20. Sold to William McClain, Iowa City, Iowa, 50 brls. Family Flour (Lot No. 1) at $9, $450; 10 brls. Cranberries (Lot No. 3) at $10, $100. Received Cash, $200. Balance on account, $350.

" 22. Refunded Cash to Geo. M. Pence as an abatement on Cranberries belonging to Lot No. 3, $10.

C. S. B., C. B. and post to Sales account.

" 22. Sold to D. Heenan & Co., Streator, Ill., on account, 75 brls. Apples (Lot No. 2) at $3, $225; 10 brls. Cranberries (Lot No. 3) at $10, $100; 10 boxes cheese (Lot No. 5) 560 lbs. at 12¢, $67.20. Total $392.20.

" 23. Closed Baker & Co.'s consignment and rendered them an Account Sales. Total Sales, $890. Our charges not already entered are: Commission at 5% on total sales, $8.90. $44.50. Net proceeds, less amount advanced, remitted per Check, $497.

Post the items in the Sundries column of the Journal.

" 24. Sold to Robert Barnes, Waukesha, Wis., on account, 80 brls. Apples (Lot No. 2) at $4, $320.

" 25. Paid Cash for Hayes & Co.'s Sight Draft on us, $100.

" 26. Sold to J. M. Brown for Cash, 100 bu., E. R. Potatoes from Lot No. 7, at 50¢, $50.

S. B. and C. B.

" 26. Paid Cash for Clerk hire to date, $35.

" 26. C. A. Allis has withdrawn for private use, Cash, $25.

" 26. Closed R. H. Davidson's consignment and rendered him an Account Sales. Total Sales, $800. Our charges not already entered are: Insurance at ½%, $4, and Commission at 5%, $40. Net proceeds to his credit, $726.

" 27. Paid Cash for storage on Cheese belonging to Lot No. 5, $3.

" 29. Sold to Sprague, Warner & Co., City, 50 brls. Cranberries (Lot No. 3) at $9, $450 Received in payment, Cash, $200. Balance on account, $250.

" 30. Received Cash of J. Richardson & Co., on account, $70.

* Checks are not usually at par at a long distance from the place on which they are drawn and yet they afford the most convenient means of remitting money to shippers. Where there are many shippers from one locality to the same Commission Merchant, the latter opens an account with some bank in the locality where his shippers reside and then forwards checks on that bank in payment for net proceeds. Thus a single commission firm in the city may keep as high as fifty different bank accounts in different parts of the country. Where the consignments are very small it is customary with some houses to remit weekly or monthly.

## INSTRUCTIONS.

Close the Cash Book and post the footings of the Sales, Freight and Cartage columns. Close the Journal and post the footings of the Sales, Freight, Cartage and Commission columns. Close the Sales Book and post the footing of Sales column to the credit of that account, in the Ledger. Take a Trial Balance, after which proceed with the month of October.

## RECEIVING BOOK.

Sept. 3, 19—.

| Lot No. | Stencil No. | Shipper. | Articles. | | Charges. | |
|---|---|---|---|---|---|---|
| 1 | 1268 | Baker & Co., Quincy, Ill. | 100 brls. Family Flour, | ✓ | C., B. & Q., | $25.00 |
| | | | | | Ctg., | 10.00 |
| | | | 5th | | | |
| 2 | 469 | R. H. Davidson, La Porte, Ind. | 240 brls. Apples, | ✓ | L. S. & M. S., | $18.60 |
| | | | | | Ctg., | 11.40 |
| | | | 8th | | | |
| 3 | 916 | J. T. Armour, Milwaukee. | 200 brls. Cranberries, | ✓ | C. & N. W., | $20.00 |
| | | | | | Ctg., | 18.00 |
| | | | 9th | | | |
| 4 | 415 | John M. Shaw, St. Joseph, Mich. | 100 bskts. Peaches. 1 bskt. short. | ✓ | Am. Ex., | $2.40 |
| | | | | | Ctg., | 1.00 |
| | | | 15th | | | |
| 5 | 327 | Hayes & Co., Detroit, Mich. | 100 bxs. Cheese, 5580 lbs. | ✓ | M. C., | $18.50 |
| | | | | | Ctg., | 8.00 |
| | | | 16th | | | |
| 6 | 186 | Geo. W. Kingman, Benton Harbor, Mich. | 20 cases Blackberries, 1 case damaged, worthless. | ✓ | U. S. Ex. | $1.80 |
| | | | | | Ctg., | .25 |

## ACCOUNT SALES JOURNAL.

| Date. | | Gross Sales. | | Lot No. | Name. | L. F. | Sundries. | | Freight. | | Cartage. | | Commission. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 19— | | | | | | | | | | | | | | |
| Sept. | 10 | 22 | 30 | 4 | John M. Shaw, | ✓ | 16 | 67 | 2 | 40 | 1 | | 2 | 23 |
| " | 17 | 26 | 60 | 6 | Geo. W. Kingman, | ✓ | 21 | 89 | 1 | 80 | | 25 | 2 | 66 |
| " | 23 | 890 | | 1 | Baker & Co., | 181 | 797 | | 25 | | 10 | | 44 | 50 |
| | | | | | Cooperage, | 180 | 1 | 50 | | | | | | |
| | | | | | Inspection, | 180 | 12 | | | | | | | |
| " | 26 | 800 | | 2 | R. H. Davidson, | 180 | 726 | | 18 | 60 | 11 | 40 | 40 | |
| | | | | | Insurance, | 179 | 4 | | | | | | | |
| | | 1738 | 90 | | Sales Dr. To Sunds. posted, | | 1579 | 06 | 47 | 80 | 22 | 65 | 89 | 39 |
| | | | | | Freight, | 179 | 47 | 80 | | | | | | |
| | | | | | Cartage, | 179 | 22 | 65 | | | | | | |
| | | | | | Commission, | 180 | 89 | 39 | | | | | | |

September 3, 19—.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Baker & Co., | *9 | 00 | †30–10–50 | C. B. & Q. | 25 | | ‡890 | |
| | Quincy, Ill. | 8 | 00 | 10 $\frac{\$810}{\$890}$ | Ctg. | 10 | | | |
| 1 | 100 brls. Family Flour. | | | | Coop. | 1 | 50 | | |
| | | | | | Insp. | 12 | | | |
| | | | | √ | Com. | 44 | 50 | 93 | |
| | | | | 9/23/19— | Net | | | 797 | |
| | | | | 5″ | | | | | |
| | | *Price. | | †Barrels | | | | ‡Total Sales. | |
| | R. H. Davidson, | 3 | 00 | 50.–25–10–75 | L.S.&M.S. | 18 | 60 | 800 | |
| | La Porte, Ind., | 4 | 00 | 80 $\frac{480}{320}$ $\frac{800}{}$ | Ctg. | 11 | 40 | | |
| 2 | 240 brls. Apples, | | | | Ins. | 4 | | | |
| | | | | √ | Com. | 40 | | 74 | |
| | | | | 9/26/19— | Net | | | 726 | |
| | | | | 8″ | | | | | |
| | | | | | C. & N. W. | 20 | | | |
| | J. T. Armour, | 9 | 00 | 20–50 | Ctg. | 18 | | | |
| | Milwaukee, Wis., | 10 | 00 | 10–10 | Abatement | 10 | | | |
| | And Ourselves, each $\frac{1}{2}$ | | | | | | | | |
| 3 | 200 brls. Cranberries @ $6 | | | | | | | | |
| | | | | 9″ | | | | | |
| | | | | | Am. Ex. | 2 | 40 | 22 | 30 |
| | John M. Shaw, | | 25 | 50 | Ctg. | 1 | | | |
| | St. Joseph, Mich., | | 20 | 49 $\frac{12.50}{9.80}$ $\frac{22.30}{}$ | Com. | 2 | 23 | 5 | 63 |
| 4 | 100 bskt. Peaches, | | | √ | Net | | | 16 | 67 |
| | 1 bskt. short. | | | 9/10/19— | | | | | |
| | | | | 15″ | | | | | |
| | | | | | M. C. | 18 | 50 | 67 | 20 |
| | Hayes & Co., | | 12 | $\frac{10}{560}$ | Ctg. | 8 | | | |
| | Detroit, Mich., | | | | Stor. | 3 | | | |
| 5 | 100 bxs. Cheese, | | | | | | | | |
| | 5580 lbs. | | | 16″ | | | | | |
| | | | | | U. S. Ex. | 1 | 80 | 26 | 60 |
| | Geo. W. Kingman, | 1 | 40 | 19 | Ctg. | 1 | 25 | | |
| | Benton Harbor, Mich., | | | | Com. | 2 | 66 | 4 | 71 |
| 6 | 20 cases Blackberries, | | | √ | Net | | | 21 | 89 |
| | 1 case damaged, worthless. | | | 9/17/19— | | | | | |
| | | | | 17″ | | | | | |
| | Mdse., | | 50 | 100 | | | | | |
| 7 | 500 bu. Early Rose Potatoes. | | | | | | | | |

| 19— | | | | | SUNDRIES. | SALES. | | |
|---|---|---|---|---|---|---|---|---|
| Sept. | 1 | 179 | B. F. Wilson, | Investment | 1500 | | | |
| " | 1 | 179 | C. A. Allis, | Investment | 1000 | | | |
| " | 4 | 180 | J. Richardson & Co., | On account | 200 | | | |
| " | 8 | ✓ | Lot #2, | Sale to H. Wheeler | | 150 | | |
| " | 9 | ✓ | Lot #4, | Sale to Tremont House | | 12 | 50 | |
| " | 10 | 180 | Flagg & Baldwin, | On account | 50 | | | |
| " | 10 | ✓ | Lot #2, | Sale to Eli Bates | | 75 | | |
| " | 10 | ✓ | Lot #4, | Sale to C. H. Slack | | 9 | 80 | |
| " | 10 | ✓ | Lots #3-1-2, | Sale to Geo. M. Pence | | 290 | | |
| " | 17 | ✓ | Lot #6, | Sale to Palmer House | | 26 | 60 | |
| " | 20 | 181 | Wm. McClain. | On account | 200 | | | |
| " | 26 | ✓ | Lot #7 | Sale to J. M. Brown | | 50 | | |
| " | 29 | 181 | Sprague, Warner & Co., | On account | 200 | | | |
| " | 30 | 180 | J. Richardson & Co., | On account | 70 | | | |
| | | | | | 3220 | 613 | 90 | |
| | | | | Sundries posted | | | | 3220 |
| | | 179 | | Sales | | | | 613 90 |
| | | | | | | | | 3833 90 |

| 19— | | | | | SUNDRIES. | | FREIGHT. | | CARTAGE. | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 1 | 181 | Expense, | Set Blank Books | 15 | | | | | |
| " | 1 | 181 | Expense, | Rent of store 1 month | 50 | | | | | |
| " | 3 | ✓ | Freight, | Lot #1 | | | 25 | | | |
| " | 3 | ✓ | Cartage, | Lot #1 | | | | | 10 | |
| " | 4 | 181 | Baker & Co., | Paid their draft | 300 | | | | | |
| " | 5 | ✓ | Freight, | Lot #2 | | | 18 | 60 | | |
| " | 5 | ✓ | Cartage, | Lot #2 | | | | | 11 | 40 |
| " | 5 | 179 | Insurance, | On property in store | 20 | | | | | |
| " | 5 | 180 | Cooperage, | Lot #1 | 1 | 50 | | | | |
| " | 8 | ✓ | Freight, | Lot #3 | | | 20 | | | |
| " | 8 | ✓ | Cartage, | Lot #3 | | | | | 18 | |
| " | 9 | ✓ | Express Charge, | Lot #4 | | | 2 | 40 | | |
| " | 9 | ✓ | Cartage, | Lot #4 | | | | | 1 | |
| " | 9 | 180 | Inspection, | Lot #1 | 12 | | | | | |
| " | 10 | ✓ | John M. Shaw, | Net Proceeds | 16 | 67 | | | | |
| " | 12 | 180 | R. H. Davidson, | Paid his draft | 100 | | | | | |
| " | 15 | ✓ | Freight, | Lot #5 | | | 18 | 50 | | |
| " | 15 | ✓ | Cartage, | Lot #5 | | | | | 8 | |
| " | 16 | ✓ | Freight, | Lot #6 | | | 1 | 80 | | |
| " | 16 | ✓ | Cartage, | Lot #6 | | | | | | 25 |
| " | 17 | ✓ | Geo. W. Kingman, | Net Proceeds | 21 | 89 | | | | |
| " | 17 | 179 | Mdse., | Per Invoice | 200 | | | | | |
| " | 22 | 179 | Sales, | Abatement on #3 | 10 | | | | | |
| " | 23 | 181 | Baker & Co., | Net Proceeds | 497 | | | | | |
| " | 25 | 181 | Hayes & Co., | Paid their draft | 100 | | | | | |
| " | 26 | 181 | Expense, | Clerk hire | 35 | | | | | |
| " | 26 | 179 | C. A. Allis, | Private use | 25 | | | | | |
| " | 27 | 180 | Storage, | Lot #5 | 3 | | | | | |
| | | | | | 1407 | 06 | 86 | 30 | | |
| | | 179 | | Cartage | | | | | 48 | 65 |
| | | 179 | | Freight | | | | | 86 | 30 |
| | | | | Sundries posted | | | | | 1407 | 06 |
| | | | | Balance | | | | | 2291 | 89 |
| | | | | | | | | | 3833 | 90 |

Sept. 4, 19—.

| Lot | L. F. | | | Amount. | | Sales. | |
|---|---|---|---|---|---|---|---|
| | 180 | J. Richardson & Co., City, | | | | | |
| 1 | | 30 brls. Family Flour, | $9.00 | 270 | | 270 | |
| | | 8 | | | | | |
| | ✓ | Hiram Wheeler, | Cash | | | | |
| 2 | | 50 brls. Apples, | $3.00 | 150 | | | |
| | | 9 | | | | | |
| | ✓ | Tremont House, | Cash | | | | |
| 4 | | 50 bskt. Peaches | .25 | 12 | 50 | | |
| | | 10 | | | | | |
| | 180 | Flagg & Baldwin, Columbus, O., | | | | | |
| 1 | | 10 brls. Family Flour, | $9.00 | 90 | | 90 | |
| | ✓ | Eli Bates, " | Cash | | | | |
| 2 | | 25 brls. Apples, | $3.00 | 75 | | | |
| | ✓ | C. H. Slack, " | Cash | | | | |
| 4 | | 49 bskt. Peaches, | .20 | 9 | 80 | | |
| | ✓ | Geo. M. Pence, " | Cash | | | | |
| 3 | | 20 brls. Cranberries, | $9.00 | 180 | | | |
| 1 | | 10 " Family Flour, | 8.00 | 80 | | | |
| 2 | | 10 " Apples, | 3.00 | 30 | | | |
| | | | | 290 | | | |
| | | 17 | | | | | |
| | ✓ | Palmer House, | Cash | | | | |
| 6 | | 19 cases Blackberries, | $1.40 | 26 | 60 | | |
| | | 20 | | | | | |
| | 181 | William McClain, Iowa City, | | | | | |
| 1 | | 50 brls. Family Flour, | $9.00 | 450 | | | |
| 3 | | 10 " Cranberries, | 10.00 | 100 | | 550 | |
| | | 22 | | | | | |
| | 181 | D. Heenan & Co., Streator, Ill., | | | | | |
| 2 | | 75 brls. Apples, | $3.00 | 225 | | | |
| 3 | | 10 " Cranberries, | 10.00 | 100 | | | |
| 5 | | 10 bxs. Cheese 560 | .12 | 67 | 20 | 392 | 20 |
| | | 24 | | | | | |
| | 181 | Robert Barnes, Waukesha, Wis., | | | | | |
| 2 | | 80 brls. Apples, | $4.00 | 320 | | 320 | |
| | | 26 | | | | | |
| | ✓ | J. M. Brown, | Cash | | | | |
| 7 | | 100 bu. E. R. Potatoes, | .50 | 50 | | | |
| | | 29 | | | | | |
| | 181 | Sprague, Warner & Co., City, | | | | | |
| 3 | | 50 brls. Cranberries | 9.00 | 450 | | 450 | |
| | 179 | Sales Cr. | | | | 2072 | 20 |

## B. F. WILSON.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Sept. | 1 | Cash | 176 | 1500 | |

## C. A. ALLIS.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 26 | Cash | 177 | 25 | | Sept. | 1 | Cash | 176 | 1000 | |

## SALES.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 22 | Cash | 177 | 10 | | Sept. | 30 | Cash | 176 | 565 | 90 |
| " | 30 | Sales Jour. | | 1738 | 90 | " | 30 | Sales Book | 178 | 2122 | 20 |

## MERCHANDISE.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 17 | Cash | 177 | 200 | | | | | | | |

## FREIGHT.

| 19 | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 30 | Cash | 177 | 86 | 30 | Sept. | 30 | Sales Journal | 174 | 47 | 80 |

## CARTAGE.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 30 | Cash | 177 | 48 | 65 | Sept. | 30 | Sales Journal | 174 | 22 | 65 |

## INSURANCE.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 5 | Cash | 177 | 20 | | Sept. | 26 | Sales Journal | 174 | 4 | |

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 9 | Cash | 177 | 12 | | Sept. | 23 | Sales Journal | 174 | 12 | |

COOPERAGE.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 5 | Cash | 177 | 1 | 50 | Sept. | 23 | Sales Journal | 174 | 1 | 50 |

COMMISSION.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Sept. | 30 | Sales Journal | 174 | 89 | 39 |

STORAGE.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 27 | Cash | 177 | 3 | | | | | | | |

J. RICHARDSON & CO., CITY.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 4 | Lot #9 | 178 | 270 | | Sept. | 4 | Cash | 176 | 200 | |
| | | | | | | " | 30 | " | 176 | 70 | |
| | | | | 270 | | | | | | 270 | |

FLAGG & BALDWIN, COLUMBUS, OHIO.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 10 | Lot #1 | 178 | 90 | | Sept. | 10 | Cash | 176 | 50 | |

R. H. DAVIDSON, LA PORTE, IND.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 12 | Cash | 177 | 100 | | Sept. | 26 | Sales Journal | 174 | 726 | |

19— 19—

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 4 | Cash | 177 | 300 | | Sept. | 23 | Sales Journal | 174 | 797 | |
| " | 23 | " | 177 | 497 | | | | | | | |

## WILLIAM McLAIN, IOWA CITY, IA.

19— 19—

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 20 | Lots #1 and 3 | 178 | 550 | | Sept. | 20 | Cash | 176 | 200 | |

## D. HEENAN & CO., STREATOR, ILL.

19— 19—

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 22 | Lots #2, 3 and 5 | 178 | 392 | 20 | | | | | | |

## ROBERT BARNES, WAUKESHA, WIS.

19— 19—

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 24 | Lot #2 | 178 | 320 | | | | | | | |

## HAYES & CO., DETROIT, MICH.

19— 19—

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 25 | Cash | 177 | 100 | | | | | | | |

## SPRAGUE, WARNER & CO., CITY.

19— 19—

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 29 | Lot #8 | 178 | 450 | | Sept. | 29 | Cash | 176 | 200 | |

## EXPENSE.

19— 19—

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept. | 1 | Cash | 177 | 15 | | | | | | | |
| " | 1 | " | 177 | 50 | | | | | | | |
| " | 26 | " | 177 | 35 | | | | | | | |

19—

Oct. 1. Received from No. 924, Ferris & Sherman, Freeport, Ill., by C., B. & Q. R. R., to be sold on their account and risk, 200 brls. Potatoes. Paid Cash for Freight, $22.50, and Cartage, $12.

" 1. Paid Cash for one month's Rent of Store, $50.

" 2. Advanced to Ferris & Sherman on their consignment by Draft, Cash, $75.

" 3. Sold to A. S. Davis, Burlington, Ia., from Lot No. 5, 20 boxes Cheese, 1120 lb., at 13¢, $***.**. Received Cash, $80, balance on account.

" 4. Received from No. 1180, Geo. E. Howes, Jacksonville, Ill., via C. & A. R. R., to be sold on his account and risk, 100 brls. Winter Wheat Flour. Paid Cash for Freight on same, $36.50, and Cartage, $10.50.

" 5. Advanced by payment of draft to Geo. E. Howes, Jacksonville, Ill., Cash amounting to $200.
Cash Book and post.

" 7. Sold to William McClain, Iowa City, Ia., on account, from Lot No. 8, 50 brls. Potatoes at $1.25, $**.**; from Lot No. 5, 20 boxes Cheese, 1100 lbs., at 12¢, $***.

" 8. Sold to Robert Barnes, Waukesha, Wis., on account from Lot No. 3, 50 brls. Cranberries, at $8.50, $***.

" 9. Received Cash from Sprague, Warner & Co. on their account, $125.

" 10. B. F. Wilson has withdrawn for private use, $135.

" 11. Received from John T. Greenacre, Plymouth, Ind., via C. & E. I. R. R., to be sold on his account and risk, 1 car load, 800 bu., Peachblow Potatoes. Car No. 2567. Paid Freight on same in Cash, $60. Have sold same "on track" to J. G. Milan on his Note at 30 days at 40¢ per bu., $***.

" 13. Rendered to John T. Greenacre an Account Sales of his car load of Potatoes. Total Sales, $320. Our commission at 5% is $**. Net proceeds remitted by New York Exchange, $244.

" 14. Sold to Robert Patterson for Cash, 200 bu. Early Rose Potatoes, from Lot No. 7, at 55¢, $110.
C. S. B., S. B.

" 14. Sold to Flagg & Baldwin, Columbus, O., from Lot No. 9, 25 brls. Winter Wheat Flour at $8.75, $***.**. Received in payment, Cash, $100; balance due in 30 days.

" 15. Drew at 10 days' sight on D. Heenan & Co., Streator, Ill, and discounted draft in Commercial National Bank. Face of draft, $350. Discount off, $3.50. Proceeds placed to our credit, $***.**.

" 16. Sold to Sprague, Warner & Co. on account from Lot 3, 20 brls. Cranberries at $9 $180.

" 17. Remitted to R. H. Davidson, La Porte, Ind., New York Exchange for balance due him, $626. Exchange on draft, $1. Face of draft, $625.*

" 18. Sold to L. M. Duncan for Cash, from Lot No. 9, 50 brls. Winter Wheat Flour at $9, $***.

" 20. Received Cash from William McClain, Iowa City, Ia., on account, $400.

" 23. Sold to Gray, Kingman & Collins, Chicago, from Lot No. 3, 25 brls. Cranberries at $8.50, $***.**. Received in part payment Cash, $175, balance on account.

" 24. Received Cash of Robert Barnes, Waukesha, Wis., on his account, $582.

* The cost of remitting the proceeds, if any, must be an expense to the owner of the funds.

19—

Oct. 25. Paid Cash for Hayes & Co.'s Sight Draft on us for $100.

" 27. Received from No. 1165, Geo. P. Jackson, Grand Haven, Mich., per steamer "Roanoke," to be sold on his account and risk, 50 brls. Cabbages. Paid Cash for Freight, $4, and Cartage, 50¢. Receiving Clerk finds one barrel only half filled.

" 28. Sold to Thomas H. Warner for Cash, 49½ barrels cabbages, Lot No. 11, at $1.50; $**.**.

" 28. Closed Geo. P. Jackson's sales and rendered an Account Sales. Total Sales, $**.**. Our charges other than those already entered are Commission, 10%, $7.43. Remitted Check for proceeds.

" 28. Closed out the Remainder of Lot No. 7, consisting of 200 bu. E. R. Potatoes, to Potter Palmer, for Cash at 60¢, $120.

S. B., C. S. B., C. B. Make a Journal entry the same as when closing any other consignment, using the name "Mdse." instead of the person, and post the item. There will be no commission in this case, although in some instances there may be other charges against the Mdse.

" 31. Paid Cash for Clerk Hire, $35.

Balance of Cash on hand per Cash Book, $3181.32.

Post and take a Trial Balance.

Nov. 1. Sold to Flagg & Baldwin, Columbus, O., from Lot No. 3, 15 brls. Cranberries at $8.75, $***.**. Received Cash on account, $85.

" 3. Closed Lot No. 3 and rendered J. T. Armour, Milwaukee, an Account Sales of same. Total sales, $****.**. Commission at 5%, $**.**. Our one-half net gain, $220.91. Net proceeds, $1420.90, placed to J. T. Armour's credit.

Close the above upon the C. S. B. the same as in other cases, except you enter our *One-half Net Gain* immediately below the commission as if our gain were another charge against the consignment. Then the *Net* will belong to the shipper as in other cases. The above gain is ascertained by taking into account the original invoice of the goods, which was $1200. In Journalizing this transaction credit Profit and Loss for our one-half net gain.

" 4. Paid Cash for Inspection on Lot No. 9, $8.

" 4. Sold to Robert Barnes, Waukesha, Wis., on account, from Lot No. 5, 50 boxes Cheese, 2800 lbs. at 14¢, $***.

" 5. Closed Hayes & Co.'s consignment and rendered them an Account Sales of the same. Total sales, $***.**; Commission at 5%, $**.**. Net proceeds, less advances, remitted per Check.

" 6. Received Cash from Robert Barnes, Waukesha, Wis., in full of account, $***.

" 7. Sold to D. Heenan & Co., Streator, Ill., on account, from Lot No. 8, 100 brls. Potatoes at $1.35, $***.

" 9. Remitted to J. T. Armour, Milwaukee, on account, our Check for $845.

" 10. Sold to William McClain, Iowa City, Ia., on account, from Lot No. 8, 25 brls. Potatoes at $1.40, $**.

" 11. Paid Cash for storage on Flour consigned by Geo. E. Howes, Jacksonville, Ill., Lot No. 9, $12.60.

" 13. Received Cash from Flagg & Baldwin, in full of account, $***.

" 13. Received Cash of J. G. Milan for his Note, now due, $320.

" 15. Received from No. 1230, Morgan Doyle, Grand Rapids, Mich., via M. C. R. R., to be sold on joint account of himself two-thirds and ourselves one-third, 1000 bu. Turnips at 40¢. Paid Cash for Freight, $22, and Cartage, $18.60.

" 16. Sold to Sprague, Warner & Co., from Lot No. 9, 25 brls. Winter Wheat Flour at $9, $***. Received Cash, $200. Balance on account.

" 17. Cashed Morgan Doyle's sight Draft on us for $200.

19—

Nov. 18. Received Cash from Gray, Kingman & Collins to close their account.

" 18. Closed Geo. E. Howes' consignment and rendered him an Account Sales. Total sales, $****.**. Our charges other than those already entered are: Insurance, $5, and commission at 5%, $**.**. Net proceeds placed to his credit.

" 19. Sold for Cash to the Sherman House, 200 bu. Turnips, Lot No, 12, at 60¢, $***.

" 20. Received Cash from William McClain, Iowa City, in full of account, $***.**.

" 22. Sold to J. G. Milan, on his Note at 60 days, from Lot No. 12, 500 bu. Turnips at 60¢, $***.

" 23. Sold D. Heenan & Co., Streator, Ill., on account, from Lot No. 8, Sherman's consignment, 25 brls. Potatoes at $1.40, $**.

" 24. Sold to Harmon, Merriam & Co., 200 bu. Turnips, Lot No. 12, at 62½¢, $***. Received in payment, Cash, $50.

" 26. Closed Ferris and Sherman's consignment and rendered them an Account Sales of same. Total sales, $***.**. Our Commission at 5%, $**.**. Net proceeds less advance remitted by Check.

" 27. Sold for Cash to Robert Finlay, 100 bu. Turnips, Lot No. 12, at 70¢, $**.

" 29. Closed Company B's sales and rendered Morgan Doyle an Account Sales of same. Our Commission at 5% on total sales is $**.**. Our one-third net gain is $47.88. Net proceeds less advance remitted by New York exchange, $295.77

" 30. Paid Cash for Clerk hire, $35.

## RESULTS.

| | |
|---|---|
| Cash on hand, | $2951.27 |
| Bills Receivable on hand, | 300. |
| Personal Accounts owing to the firm, | 682.80 |
| Personal Accounts owing by the firm, | 1152.36 |
| B. F. Wilson's Net Capital, | 1585.85 |
| C. A. Allis' " " | 1195.86 |

### QUESTIONS FOR REVIEW.

1. By what means is a large portion of the produce and live stock of this country sold? 2. What is a Commission Merchant? 3. How are his charges computed? 4. Is the Commission Merchant responsible to his shipper in case the buyer does not pay for the goods? 5. What is done when the goods have been sold? 6. What are advances? 7. Define "net proceeds." 8. What is a shipment on joint account? 9. To what extent and under what circumstances are shipments on joint account made? 10. How does the consignor mark all cases or barrels? 11. What is the object of a stencil number? 12. As the goods arrive in store, who receives them? 13. What are the duties of the Receiving Clerk? 14. Upon what book is the record of the goods first made? 15. From the Receiving Book to what book is the entry next carried? 16. How is the Commission Sales Book ruled? 17. Define Lot Number and explain its use. 18. What is the purpose of the Sales Ticket and what does it show? 19. In what way may the Sales Tickets be used instead of a Sales Book? 20. Explain what Journal entry is always necessary when a sale is closed. 21. How is the Account Sales Journal ruled? 22. What is the object of this ruling? 23. How does the Cash Book in Commission differ from that used in ordinary business? 24. After the consignment is sold, what disposition is made of the net proceeds? 25. Define an Account Sales. 26. What is an Account Sales? 27. Is it customary for the Commission Merchant to insure property in store? 28. Who is an Inspector and what are his duties? 29. Under what circumstance are advances made? 30. How are advances usually made? 31. How are remittances usually made by Commission Merchants to shippers? 32. In case a Commission Merchant should buy and sell merchandise on his own account, how would such transaction be entered?

# LUMBER.

CATTERED throughout our country, and finding its place in every city, town and village, is the great Lumber industry. Having grown to such an extent as to form an important part of the business of the country, and seeming to require some distinct and peculiar methods of Book-keeping, it has been thought advisable to incorporate in this work what are considered the most practical and labor-saving forms for this purpose.

The forms here used have been prepared directly from the books of prominent firms in this line of business, with the assistance of practical book-keepers, and are believed to be the best results of wisdom and experience in this direction. The student will also find the rule for lumber measure a valuable assistant, as well as the drill in calculating the contents of each piece and extending the amounts into the proper column.

As the orders are received they are entered by the order clerk upon a book used for the purpose called the

## ORDER BOOK,

giving the date, name and address of the customer, quantity and articles. From this book, if the lumber is to be shipped away, a shipping ticket is made out and handed to the foreman of the yard, who selects the lumber, delivers same to the railway or transportation company and takes their receipt. If the lumber is to be delivered, a dray ticket containing directions for delivery with a receipt attached, to be signed by the customer, is made out from the Order Book and handed to the foreman.

From the Order Book the entries are marked "Entered" and then carried to the

## SALES BOOK,

which is a book of special columns designed to contain a record of the sales of various qualities of merchandise dealt in by the firm. In the wide column headed "Lumber" is entered the number of pieces and description, and the number of feet is then extended to the left in the "Feet" column. The "Mdse." column is used to contain any articles sold which cannot be properly included under the other headings, such as doors, sash, pickets and posts. From the Sales Book we post all items not paid, to the debit of the purchasers' accounts in the Ledger, while all items paid in Cash are checked. The total sales from this book are carried to the credit of Merchandise account in the Ledger, at the end of the month.

Form of Shipping Ticket.

THE BADGER STATE LUMBER CO.,
*No.* 8208. CHICAGO, *June* 2, 19—.
*To* WILLIAM J. DAVIS,
MAQUOKETA, IA.
*Via* C., M. & St. P. R. R.

3000 ft. 3" Clr. Maple Flooring.

Salesman, BROWN.

Form of Dray Ticket.

THE BADGER STATE LUMBER CO.,
*No.* 8209. CHICAGO, *June* 2, 19—.
*To* CHAS. H. PREBLE,
77 EAST OHIO ST.
Drayman, WALSH.

800 ft. 2x4 — 16' Studding.
1000 ft. 6" B Flooring S 2 S.

Salesman, STARKWEATHER.
Received above..... .....

## THE INVOICE BOOK

does not differ materially from the Sales Book in form, and is used to contain a record of lumber bought. The several items in this book are posted to the credit of the persons' accounts unless the purchase is for Cash, in which case the entry is checked (√) in the Invoice Book and entered in the Cash Book. At the end of the month the total of this book is posted to the debit of Merchandise account.

## THE CASH BOOK

is a book of original entry and is posted from as in ordinary cases. Cash received or paid for merchandise is checked (√) in the Cash Book, since it has the proper debit or credit in the Invoice and Sales Book without being carried to the Ledger. No cash discount column will be kept in this set as such items are infrequent, and when they do occur they are entered in the same manner as when a note is discounted, i. e., the entire amount upon one side of the Cash Book and the discount upon the opposite side.

## THE JOURNAL

is used as a record of only such transactions as cannot properly be entered in any other book, and each entry therein is supplied with the necessary explanation for making this a book of original entry.

### Board Measure.

In practice most salesmen and book-keepers use a table giving the number of feet in the standard lengths of boards, scantling, etc., but for our purpose it seems best to give the method of computing the contents of boards, logs, etc. Lumber is bought and sold by the thousand feet.

***A foot of Lumber is a piece one foot square and one inch thick.***

Using this as a standard of computation we have the following:

RULE FOR FINDING THE NUMBER OF FEET IN A BOARD OR LOG.

*Multiply the width in inches by the thickness in inches, and this by the length in feet, and divide by* 12; *the result will be the number of feet.*

## INSTRUCTIONS.

The student will proceed to write the transactions in the proper books, and post to the Ledger as previously indicated. Keep Bills Receivable and Bills Payable books as auxiliaries, and not to be posted from. After the month of April is posted to the Ledger, it should be closed, ruled up, and the balances brought down, in order that the transactions following may be posted beneath the same headings.

LEDGER HEADINGS.

A. White, 12; S. Phillips, 18; Merchandise, 15; Bills Receivable, 18; Bills Payable, 15; Blanchard & Co., 10; Mears & Bates, Chicago, 8; Hubbard & Bros., 8; M. Withrow & Co., La Porte, Ind., 8; John Hixon, Indianapolis, Ind., 12; J. C. Brown, 10; J. Thompson, Burlington, 12; M. Adams, 12; E. M. Archer, 12; Geo. Fuller, 10; Thomas Hill, 12; W. E. Johnson, 8; J. Simmons, 8; Expense, 20; Horse and Wagon, 8; Interest, 10; Discount, 8; Exchange, 8; Profit and Loss, 25.

### TRANSACTIONS.

19—

April 1. A. White has this day embarked in the Lumber business with a Cash capital of $12500.

" 1 Rented grounds suitable for Lumber Yard, with office included, at $200 per annum, paying Cash for one month's rent in advance. Also paid cash for outfit of Books and Stationery, $38.40.

19—

April 1. Bought of Chas. Denning & Co., cargo of Schooner "Little Belle," just arrived in port, consisting of 150 M ft. Lumber, per inventory, $1425; 200 M Lath, $370; 350 M Shingles, $650; Cedar Posts, $140. Total $2585. Gave in full payment, Cash.

" 2. Bought of C. D. Parker for Cash, team of Horses, Harness and Wagon, $820.

" 2. Bought of Blanchard & Co. on 30 days' time, cargo of Schooner "Express," consisting of 150 M Extra A Shingles at $1.50, $225; 10 M Select Flat Pickets, D. & H., at $13, $130. Total $355.

D. & H. signifies Dressed and Headed.

" 3. Bought of Mears and Bates, Chicago, 20000 ft. A Stock Boards at $14, $280; 8000 ft. B Stock Boards at $12, $96; 12200 ft. C Stock Boards at $10, $122; 18000 ft. Clear Siding at $22, $396. Total $894. Gave in full payment, Note at 10 days, 8% interest.

" 3. Sold for Cash to L. M. Kimball, 200 pcs. 2 x 6—16, 3200 ft. at $12.50, $40; 50 pcs. 3 x 12—14, 2100 ft. at $12.50, $26.25; 200 pcs. 3 x 12—12, 7200 ft. at $12.50, $90; 2500 ft. Com. Boards at $11, $27.50. Total $183.75.

O. B., S. B., C. B.

" 4. Bought of Hubbard & Bros., cargo of Schooner "Annie," consisting of 50000 ft. Timber 6 x 6 to 10 x 10 at $10, $500; 5 M Cedar Posts, split, at $14 per C, $700. Total $1200. Gave in payment, Cash, one-half. Balance due on account in thirty days.

" 5. Bought of M. Withrow & Co., La Porte, Ind., at 30 days, 150 M Select Square Pickets, D. & H., at $9, $1350.

" 6. Sold to John Hixon, Indianapolis, on account, 20 pcs. 2 x 6—12, 240 ft. at $12, $2.88; 50 pcs. 2 x 8—18, 1200 ft. at $12.50, $15; 30 pcs. 2 x 10—16, 800 ft. at $15, $12; 1 M Cedar Posts, split, at $17 per C, $170; 10 M Extra A Shingles at $1.85, $18.50. Total $218.38.

O. B., S. B. L.

" 6. Paid Cash to Foreman and Yard Hands for week's work, $45.

" 8. Bought of S. Phillips, 40000 ft. Fencing at $12.50, $500; 20000 ft. A Flooring, D. & M., at $34, $680; 20000 ft. Clear Siding at $19, $380. Total $1560. Paid Cash, $500.

D. & M. signifies Dressed and Matched

" 8. Sold to E. M. Archer for Cash, 2000 ft. Cull Boards, S 1 S at $13, $26; 400 ft. Common Fencing, S 2 S, at $16, $6.40. Total $32.40.

S 1 S signifies surfaced or planed on one side; S 2 S signifies planed on both sides.

" 9. Bought of Mears & Bates, Chicago, 50 M Standard A Shingles at $2.10, $105; 40000 ft. B Flooring, 6 in. D. & M., at $32, $1280. Total $1385. Gave in payment, Note at 63 days for amount drawing 6% interest.

" 9. Sold to J. C. Brown, on account, 11 pcs. 2 x 8—22, 323 ft. at $14, $4.52; 20 pcs. 2 x 4—22, 293 ft. at $14, $4.10; 75 pcs. 2 x 4—20, 1000 ft. at $13, $13; 200 ft. Cull Plank at $9, $1.80. Total $23.42.

" 10. Sold to J. Thompson, Burlington, 10000 ft. Fencing Flooring, D. & M., at $15, $150; 1 M Cedar Posts at $16.50 per C, $165; 5 M Star Shingles at $3.75, $18.75. Total $333.75. Received in payment. Cash, $125.

" 11. Bought of S. Phillips, 200 M Lath, at $2.25, $450; 20000 ft. B Flooring, 6 in. D. & M., at $30. $600. Total $1050. Paid him on account, Cash, $150.

" 11. Paid Western Job Printing Co. Cash for printing 1 M Lumber Cards, 11 x 14 in., $14.

" 12. Sold M. Adams, 5 M Select Flat Pickets, D. &. H., at $9, $45; 50 pcs. 3 x 12—16, 2400 ft. at $12.50, $30; 100 pcs. 2 x 6—16, 1600 ft. at $11, $17.60; 150 pcs. 2 x 8—16, 3200 ft. at $11, $35.20. Total $127.80. Received Cash, $75.

19—

April 12. Sold to J. C. Brown, 3000 ft. 12 in. A Stock Boards at $42, $126; 2000 ft. Common Boards at $13, $26; 2 M Cedar Posts, split, at $16 per C, $320. Total $472. Received in part payment, Cash, $200.

" 12. Received Cash of J. Thompson, Burlington, on account, $100.

" 13. Bought of S. Phillips, on account. 100000 ft. Select Fencing Flooring at $12.50, $1250: 50 M Star Shingles at $2.20, $110. Total $1360.

" 13. Insured Stock in Home Insurance Co. for $1000 at 50¢. Paid Cash for Premium, $50.

" 13. Sold E. M. Archer, on account, 50 M Sawed Shingles at $1.75, $87.50.

" 13. Drew on John Hixon, Indianapolis, at 10 days' sight, and discounted Draft at City National Bank. Face of Draft, $200; Discount off, 75¢. Net proceeds received in Cash, $199.25.

" 13. Paid Cash to Foreman and Yard Hands for wages this week, $45.

" 13. Paid Cash for my Note, favor of Mears & Bates, given on the 3rd inst., now due, and interest on same to date.

" 15. Sold Thomas Hill, on account, 40 pcs. 2 x 4—12, 320 ft. at $12, $3.84; 60 pcs. 2 x 10—16, 1600 ft. at $15, $24; 100 pcs. 2 x 4—14,933 ft. at $13, $12.13; 10 M Lath at $2.15, $21.50. Total $61.47.

" 16. Bought of M. Withrow & Co., La Porte, Ind., on account, 8 M ft. Walnut Lumber at $60, $480. Paid Cash for Freight on same, $24.75.

" 17. Sold to S. Bradshaw, on his Note at 63 days, 3000 ft. C Siding at $13, $39; 2500 ft. B siding at $18, $45; 500 ft. O G Siding at $19, $9.50; 2000 ft. B Flooring, D. &. M., at $33, $66. Total $159.50.

" 18. Bought of Blanchard & Co., 50 M Select Flat Pickets, D. & H., at $9, $450. Paid Cash. $175.

" 20. Sold George Fuller, 100 pcs. 6 x 6—14, 4200 ft. at $13, $54.60; 150 pcs. 2 x 4—16, 1600 ft. at $13, $20.80; 20 pcs. 8 x 8—12, 1280 ft. at $15, $19.20; 3000 ft. A Stock Boards, S 1 S, at $42, $126; 2500 ft. Cull Plank, S 2 S, at $14, $35. Total $255.60. Received Cash, $200.

" 20. Received Cash of Thomas Hill on account, $50.

" 20. Paid Cash to Foreman and Yard Hands for week's labor, $53.75.

" 22. Sold to John Hixon, Indianapolis, on account, 50 M Lath at $2.50, $125; 100 pcs. 3 x 12—16, 4800 ft. at $15, $72; 2000 ft. C Stock Boards at $32, $64. Total $261.

" 23. Bought of S. Phillips, 50000 ft. Common Boards at $12.50, $625; 20000 ft. A Stock Boards at $36, $720. Total $1345. Paid him Cash, $500; my Note at 30 days for $500.

" 24. Received of J. C. Brown, Cash on account, $75.

" 25. Sold to J. Thompson, Burlington, 2000 ft. B Stock Boards, S 1 S, at $37, $74; 3000 ft. Clear Siding at $22, $66; 12 M White Pine Lath at $1.85, $22.50; 2 M Select Flat Pickets, D. & H., at $11, $22; 2000 ft. Select Fencing Flooring at $16.50, $33. Total $217.20. Received Cash, $175.

" 26. Drew for private use, Cash, $75.

" 27. Received of Geo. Fuller, in full of account, Cash, $55.60.

" 27. Sold to J. C. Brown, 5000 ft. A Flooring, D. & M., at $34. $170; 10000 ft. Clear Siding at $22, $220; 2000 ft. A Box Boards, S 1 S, at $48, $96. Total $486. Received his Note for $500, 63 days, 8% interest.

" 29. Received of E. M. Archer, his note at 60 days, 6% interest, in full of his account.

" 29. Borrowed of First National Bank, on my Note at 10 days, $1200. Interest at 8% deducted for 13 days, $*.**. Net proceeds received in Cash, $****.**.

19—

April 29. Paid S. Phillips on account, Cash, $235.

" 30. Bought of City Exchange Bank, for Cash, their Draft on Second National Bank, Indianapolis, and remitted same to M. Withrow & Co., La Porte, Ind., in part payment of account. Face of Draft, $400; Exchange, $.50. Total, $400 50.

" 30. Due J. Simmons for 20 days' Team hire at $4, $80, which he agreees to take out in Lumber.

## INVENTORY.

| | |
|---|---|
| Stock unsold April 30, 19—, | $11548.38 |
| Horses and Wagon, worth | 815. |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $ 7943.47 |
| Bills Receivable on hand, | 747. |
| Bills Payable outstanding, | 3085. |
| Personal Accounts owing me, | 701.02 |
| Personal Accounts I owe, | 6170. |
| A. White's Net Capital at closing, | 12499.87 |

## ORDER BOOK.

19—

Apr. 3 — Entered

L. M. Kimball
200 pcs. 2 x 6—16
50 " 3 x 12—14
200 " 3 x 12—12
2500 ft. Com. Boards

" 6 — Entered

John Hixon, Indianapolis
20 pcs. 2 x 6—12
50 " 2 x 8—18
30 " 2 x 10—16
1 M Cedar Posts, split
10 M Extra A Shingles

" 8 — Entered

E. M. Archer
2000 ft. Cull Boards, S 1 S
400 ft. Com. Fencing, S 2 S

" 9 — Entered

J. C. Brown
11 pcs. 2 x 8—22
20 " 2 x 4—22
75 " 2 x 4—20
200 feet Cull Plank

" 10 — Entered

J. Thompson, Burlington
10000 ft. Fencing Flooring, D. & M.
1 M Cedar Posts, split
5 M Star Shingles

" 11 — Entered

M. Adams
5 M Select Flat Pickets, D. & H.
50 pcs. 3 x 12—16
100 " 2 x 6—16
150 " 2 x 8—16

| Date. | L. F. | Sold To | Feet. | Lumber. | |
|---|---|---|---|---|---|
| 19— April | 3 | √ L. M. Kimball | 3200 | 200 pcs. 2 x 6—16 | $12^2$ |
| | | | 2100 | 50 pcs. 3 x 12—14 | $12^2$ |
| | | | 7200 | 200 pcs. 3 x 12—12 | $12^2$ |
| | | | 2500 | Com. Boards | 11 |
| " | 6 | John Hixon, Indianapolis. | 240 | 20 pcs. 2 x 6—12 | 12 |
| | | | 1200 | 50 pcs. 2 x 8—18 | $12^2$ |
| | | | 800 | 30 pcs. 2 x 10—16 | 15 |
| | | | | 1 M Cedar Posts, Split | |
| | | | | 10 M Extra A Shingles | |
| " | 8 | √ E. M. Archer | 2000 | Cull Plank, S 1 S | 13 |
| | | | 400 | Com. Fencing, S 1 S | 16 |
| " | 9 | J. C. Brown | 323 | 11 pcs. 2 x 8—22 | 14 |
| | | | 293 | 20 pcs. 2 x 4—22 | 14 |
| | | | 1000 | 75 pcs. 2 x 4—20 | 13 |
| | | | 200 | Cull Plank | 9 |
| " | 10 | J. Thompson, Burlington. | 10000 | Fencing Flooring, D. & M. | 15 |
| | | | | 1 M Cedar Posts, Split | |
| | | | | 5 M Star Shingles | |
| " | 12 | M. Adams | | 5 M Select Flat Pickets, D. & H. | |
| | | | 2400 | 50 pcs. 3 x 12—16 | $12^2$ |
| | | | 1600 | 100 pcs. 2 x 6—16 | 11 |
| | | | 3200 | 150 pcs. 2 x 8—16 | 11 |
| " | 12 | J. C. Brown | 3000 | 12 in. A Stock Boards | 42 |
| | | | 2000 | Com. Boards | 13 |
| | | | | 2 M Cedar Posts, Split | |
| " | 13 | E. M. Archer | | 50 M Sawed Shingles | |
| " | 15 | Thomas Hill | 320 | 40 pcs. 2 x 4—12 | 12 |
| | | | 1600 | 60 pcs. 2 x 10—16 | 15 |
| | | | 933 | 100 pcs. 2 x 4—14 | 13 |
| | | | | 10 M Lath | |
| " | 17 | √ S. Bradshaw | 3000 | C Siding | 13 |
| | | | 2500 | B Siding | 18 |
| | | | 500 | O G Siding | 19 |
| | | | 2000 | B Flooring, D. & M. | 33 |
| " | 20 | George Fuller | 4200 | 100 pcs. 6 x 6—14 | 13 |
| | | | 1600 | 150 pcs. 2 x 4—16 | 13 |
| | | | 1280 | 20 pcs. 8 x 8—12 | 15 |
| | | | 3000 | A Stock Boards, S 1 S | 42 |
| | | | 2500 | Cull Plank, S 2 S | 14 |
| " | 22 | John Hixon, Indianapolis. | 4800 | 100 pcs. 3 x 12—16 | 15 |
| | | | | 50 M Lath | |
| | | | 2000 | C Stock Boards | 32 |
| " | 25 | J. Thompson, Burlington. | 2000 | B Stock Boards, S 1 S | 37 |
| | | | 3000 | Clear Siding | 22 |
| | | | | 12 M White Pine Lath | |
| | | | | 2 M Select Flat Pickets, D. & H. | |
| | | | 2000 | Select Fencing Flooring | $16^2$ |
| " | 27 | J. C. Brown | 5000 | A Flooring, D. & M. | 34 |
| | | | 10000 | Clear Siding | 22 |
| | | | 2000 | A Box Boards, S 1 S | 48 |

| Amount. | | Lath. | | | Shingles. | | | Mdse. | Total. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Number. | Amount | | Number. | Amount. | | | | |
| 49 | | | | | | | | | | |
| 26 | 25 | | | | | | | | | |
| 90 | | | | | | | | | | |
| 27 | 50 | | | | | | | | 183 | 75 |
| 2 | 88 | | | | | | | | | |
| 15 | | | | | | | | | | |
| 12 | | | | | | | | | | |
| | | | | | | | | 170 | | |
| | | | | | 10000 | 18 | 50 | | 218 | 38 |
| 26 | | | | | | | | | | |
| 6 | 40 | | | | | | | | 32 | 40 |
| 4 | 52 | | | | | | | | | |
| 4 | 10 | | | | | | | | | |
| 13 | | | | | | | | | | |
| 1 | 80 | | | | | | | | 23 | 42 |
| 150 | | | | | | | | | | |
| | | | | | | | | 165 | | |
| | | | | | 5000 | 18 | 75 | | 333 | 75 |
| | | | | | | | | 45 | | |
| 30 | | | | | | | | | | |
| 17 | 60 | | | | | | | | | |
| 35 | 20 | | | | | | | | 127 | 80 |
| 126 | | | | | | | | | | |
| 26 | | | | | | | | | | |
| | | | | | | | | 320 | 472 | |
| | | | | | 50000 | 87 | 50 | | 87 | 50 |
| 3 | 84 | | | | | | | | | |
| 24 | | | | | | | | | | |
| 12 | 13 | | | | | | | | | |
| | | 10000 | 21 | 50 | | | | | 61 | 47 |
| 39 | | | | | | | | | | |
| 45 | | | | | | | | | | |
| 9 | 50 | | | | | | | | | |
| 66 | | | | | | | | | 159 | 50 |
| 54 | 60 | | | | | | | | | |
| 20 | 80 | | | | | | | | | |
| 19 | 20 | | | | | | | | | |
| 126 | | | | | | | | | | |
| 35 | | | | | | | | | 255 | 60 |
| 72 | | | | | | | | | | |
| | | 50000 | 125 | | | | | | | |
| 64 | | | | | | | | | 261 | |
| 74 | | | | | | | | | | |
| 66 | | | | | | | | | | |
| | | 12000 | 22 | 20 | | | | | | |
| | | | | | | | | 22 | | |
| 33 | | | | | | | | | 217 | 20 |
| 170 | | | | | | | | | | |
| 220 | | | | | | | | | | |
| 96 | | | | | | | | | 486 | |
| 1904 | 32 | 72000 | 168 | 70 | 65000 | 124 | 75 | 722 | 2919 | 77 |

| Date. | | L. F. | Bought of | Feet. | Lumber. | |
|---|---|---|---|---|---|---|
| 19— April | 1 | ✓ | C. Denning & Co. | 150000 | Per Inventory | |
| " | 2 | | Blanchard & Co. | | 150 M Extra A Shingles | |
| | | | | | 10 M Select Flat Pickets, D. & H. | |
| " | 3 | ✓ | Mears & Bates, Chicago. | 20000 | A Stock Boards | 14 |
| | | | | 8000 | B " " | 12 |
| | | | | 12200 | C " " | 10 |
| | | | | 18000 | Clear Siding | 22 |
| " | 4 | | Hubbard & Bros. | 50000 | Timber, 6 x 6 to 10 x 10 | 10 |
| | | | | | 5 M Cedar Posts, Split | 14 |
| " | 5 | | M. Withrow & Co., La Porte, Ind. | | 150 M Sel. Sq. Pickets, D. & H. | 9 |
| " | 8 | | S. Phillips | 40000 | Fencing | 12 |
| | | | | 20000 | A Flooring, D. & M. | 31 |
| | | | | 20000 | Clear Siding | 19 |
| " | 9 | ✓ | Mears & Bates, Chicago. | | 50 M Standard A Shingles | |
| | | | | 40000 | B Flooring, 6 in., D. & M. | 32 |
| " | 11 | | S. Phillips | | 200 Lath | |
| | | | | 20000 | B Flooring, 6 in., D. & M. | 30 |
| " | 13 | | S. Phillips | 100000 | Select Fencing Flooring | 12 |
| | | | | | 50 M Star Shingles | |
| " | 16 | | M. Withrow & Co. La Porte, Ind. | 8000 | Walnut | 80 |
| " | 18 | | Blanchard & Co. | | 50 M Select Flat Pickets, D. & H | |
| " | 23 | | S. Phillips | 50000 | Common Boards | 12 |
| | | | | 20000 | A Stock Boards | 36 |

| Amount. | Lath. | | Shingles. | | Mdse. | Total. |
|---|---|---|---|---|---|---|
| | Number. | Amount. | Number. | Amount. | | |
| 1425 | 200000 | 370 | 350000 | 650 | 140 | 2585 |
| | | | 150000 | 225 | | |
| | | | | | 130 | 355 |
| 280 | | | | | | |
| 96 | | | | | | |
| 122 | | | | | | |
| 396 | | | | | | 894 |
| 500 | | | | | | |
| | | | | | 700 | 1200 |
| | | | | | 1350 | 1350 |
| 500 | | | | | | |
| 680 | | | | | | |
| 380 | | | | | | 1560 |
| | | | 50000 | 105 | | |
| 1280 | | | | | | 1385 |
| | 200000 | 450 | | | | 1050 |
| 600 | | | | | | |
| 1250 | | | | | | |
| | | | 50000 | 110 | | 1360 |
| 480 | | | | | | 480 |
| | | | | | 450 | 450 |
| 625 | | | | | | |
| 720 | | | | | | 1345 |
| 9334 | 400000 | 820 | 600000 | 1090 | 2770 | 14014 |

19—

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| April | 1 | | To A. White, | Investment | 12500 | | | |
| " | 3 | ✓ | " Mdse., | Sale to L. M. Kimball | 183 | 75 | | |
| " | 8 | ✓ | " Mdse., | " " E. M. Archer | 32 | 40 | | |
| " | 10 | | " J. Thompson, | On account | 125 | | | |
| " | 12 | | " M. Adams, | On account | 75 | | | |
| " | 12 | | " J. C. Brown, | On account | 200 | | | |
| " | 12 | | " J. Thompson, | On account | 100 | | | |
| " | 13 | | " John Hixon, | Draft on him | 200 | | | |
| " | 20 | | " George Fuller | On account | 200 | | | |
| " | 20 | | " Thomas Hill, | On account | 50 | | | |
| " | 24 | | " J. C. Brown, | On account | 75 | | | |
| " | 25 | | " J. Thompson, | On account | 175 | | | |
| " | 27 | | " George Fuller, | On account | 55 | 60 | | |
| " | 29 | | " Bills Payable, | First National Bank | 1200 | | 15171 | 75 |
| | | | | | | | 15171 | 75 |
| May | 1 | | To Balance brought down | | | | 7943 | 47 |

19—

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| April | 1 | | By Expense, | Rent 1 month in advance | | 16 | 67 | | |
| " | 1 | | " " | Blank Books and Stationery | | 38 | 40 | | |
| " | 1 | ✓ | " Mdse., | Bought of C. Denning & Co. | | 2585 | | | |
| " | 2 | | " Horse and Wagon, | Bought of C. D. Parker | | 820 | | | |
| " | 4 | | " Hubbard & Bros., | On account | | 600 | | | |
| " | 6 | | " Expense, | Foreman and Yard Hands | | 45 | | | |
| " | 8 | | " S. Phillips, | On account | | 500 | | | |
| " | 11 | | " S. Phillips, | On account | | 150 | | | |
| " | 11 | | " Expense, | Lumber cards | | 14 | | | |
| " | 13 | | " " | Insurance on Stock | | 50 | | | |
| " | 13 | | " Discount, | On J. Hixon's Draft | | | 75 | | |
| " | 13 | | " Expense, | Foreman and Yard Hands | | 45 | | | |
| " | 13 | | " Bills Payable, | Mears & Bates | | 894 | | | |
| " | 13 | | " Interest, | On above note | | 1 | 39 | | |
| " | 16 | | " Mdse., | Paid Freight | | 24 | 75 | | |
| " | 18 | | " Blanchard & Co., | On account | | 175 | | | |
| " | 20 | | " Expense, | Foreman and Yard Hands | | 53 | 75 | | |
| " | 23 | | " S. Phillips, | On account | | 500 | | | |
| " | 26 | | " A. White, | Private use | | 75 | | | |
| " | 28 | | " Discount. | Favor First National Bank | | 3 | 47 | | |
| " | 29 | | " S. Phillips, | On account | | 235 | | | |
| " | 30 | | " M. Withrow & Co., | On account | | 400 | | | |
| " | 30 | | " Exchange, | On Draft | | | 50 | 7228 | 28 |
| | | | Balance on hand | | | | | 7943 | 47 |
| | | | | | | | | 15171 | 75 |

19—

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| April | 3 | ✓ | Mdse. | | 894 | | | |
| | | | | To Bills Pay. | | | 894 | |
| | | | Gave Mears & Bates Note at 10 days. | | | | | |
| " | 9 | ✓ | Mdse. | | 1385 | | | |
| | | | | To Bills Pay. | | | 1385 | |
| | | | Gave Mears & Bates Note at 63 days. | | | | | |
| " | 17 | ✓ | Bills Rec. | | 159 | 50 | | |
| | | | | To Mdse. | | | 159 | 50 |
| | | | Received of S. Bradshaw his Note at 60 days in full. | | | | | |
| " | 23 | | S. Phillips | | 500 | | | |
| | | | | To Bills Pay. | | | 500 | |
| | | | Gave Note at 30 days on account. | | | | | |
| " | 27 | | Bills Rec. | | 500 | | | |
| | | | | To J. C. Brown | | | 500 | |
| | | | Received his Note at 63 days, 8% interest, to apply on account. | | | | | |
| " | 29 | | Bills Rec. | | 87 | 50 | | |
| | | | | To E. M. Archer | | | 87 | 50 |
| | | | Received his Note at 60 days, 6% interest, in full of account. | | | | | |
| " | 30 | | Expense | | 80 | | | |
| | | | | To J. Simmons | | | 80 | |
| | | | Due him 20 days' team hire at $1, payable in Mdse. | | | | | |

## TRANSACTIONS.

19—

May 1. A. White has this day sold a one-half interest in the business to S. Phillips (whose account is upon the Ledger) for $7500. The firm name and style will hereafter be A. White & Co. The Cash balance of the concern will remain unchanged. After deducting the amount of his book account, $*****, and surrendering up a Note of $500 given him on the 23rd ult., S. Phillips pays to A. White the remainder of the $7500 in Cash.

After crediting A. White with the amount of S. Phillips' book account, rule that account up.

" 1. Paid Cash for one month's Rent of Yard and Office, in advance.

" 2. Paid Blanchard & Co. Cash for bill of Lumber purchased last month, now due, $355.

" 3. Sold M. Adams, 100 pcs. 2 x 6—16 at $12; 50 pcs. 2 x 6—12 at $12; 50 pcs. 2 x 4—10 at $12; 3000 ft. Clear Siding at $23; 5000 ft. A Stock Boards at $43. Received in part payment, Cash, $250.

" 4. Paid Hubbard & Bros. Cash on account, $600.

" 4. Paid Cash to Foreman and Yard Hands, in full to date, $63.80.

" 6. Bought of Mears & Bates, 3000 ft. B Stock Boards at $37; 10 M Sawed Shingles at $2; 3 doz. Doors at $25; 50 prs. Blinds at $1.80. Paid them our note at 90 days for $200.

" 6. Remitted to M. Withrow & Co., La Porte, Ind., Cash for balance due them on bill of April 5th, $950. Exchange on Draft, $1.

" 7. Sold to J. B. Sherwood, 8000 ft. Walnut Lumber at $80. Received in payment, Cash, $140; his Note at 63 days for $500.

" 8. Bought of Blanchard & Co., 10000 ft. A Flooring at $30; 5000 ft. Clear $\frac{5}{8}$ Ceiling, Beaded, at $23. Gave in full payment our Note at 60 days.

" 9. Sold to J. Simmons, on account, 30 pcs. 2 x 6—12 at $12; 40 pcs. 2 x 4—14 at $12; 2500 ft. Common Boards at $15; 2000 ft. Cull Plank at $9.

" 10. Sold to J. Hixon, Indianapolis, 5000 feet Fencing Siding at $10; 3000 ft. A Flooring, D. & M., at $36; 2500 feet A Stock Boards at $45; 20 M Standard A Shingles at $2.20; 5 M Lath at $2. Received Cash, $250.

" 11. Bought of E. H. Turner & Co. for Cash 5000 feet A Box Boards at $40.

" 11. Paid Cash to First National Bank for Note, now due, $1200.

" 13. Sold to George Fuller, 45 M Star Shingles at $2.85; 2500 ft. Select Fencing Flooring at $18; 3000 ft. Common Fencing at $16; 2500 ft. $1\frac{1}{2}$ in. C Select, S 2 S, at $18.50. Received Cash on account, $200.

" 14. Sold to C. E. Mack for Cash, 5000 ft. Clear Siding at $25; 3000 ft. B flooring at $33.

" 15. Sold to James Humes, 4 Doors at $2.80; 1500 ft. Common Boards at $12; 900 Cedar Posts, split, at $18 per hund. Received in payment his Note at 60 days in full.

" 16. Paid Blanchard & Co. on account, Cash, $100.

" 17. Sold to Thomas Hill, 1 M Square Pickets, D. & H., at $19; 1 M Cedar Posts, split, at $18 per hund.; 5000 ft. B Stock Boards at $37. Received in payment his Note at 90 days for $200; Cash, $100. Balance on account.

" 18. Bought on our Note at 90 days, from Benneson Bros., 100 M Flat Pickets at $12.50.

" 18. A. White has withdrawn for private use, Cash, $40.

" 20. Sold to F. A. Holmes, for Cash, 2500 ft. Common Boards at $14.25; 1500 ft. B Flooring at $32; 1200 ft. C Flooring at $24; 15 M Lath at $2.10; 100 pcs. 2 x 8—14 at $15; 50 pcs. 2 x 4—16 at $15.50; 25 pcs. 2 x 6—10 at $13.

19—

May 21. Sold to E. M. Archer, 2500 ft. Fencing at $16; 15 M Square Pickets, D. & H., at $20; 1 M Cedar Posts, split, at $17 per hund. Received in payment an order on Blanchard & Co. for $100; Cash $200. Balance on account.

" 21. We have endorsed the above order and passed same over to Blanchard & Co. to apply on our account.

" 22. Sold to W. E. Johnson, on account, 5000 ft. Select Fencing Flooring at $16.50; 2500 ft. Clear Siding at $22; 2000 ft. B Stock Boards at $37.

" 23. Received Cash of J. Thompson, Burlington, to apply on account, $100.

" 23. Sold to George Fuller, 10 M Select Flat Pickets, D. & H. at $9; 20 M Sawed Shingles at $3; 2500 ft. A Box Boards at $50; 1 M Cedar Posts, split, at $18 per hund. Received in part payment, Cash, $300.

" 23. Paid Cash to Foreman and Yard Hands in full to date, $46.20.

" 25. Received of Thomas Hill on account, Cash, $60.

" 26. Sold to J. Simmons, on account, 100 pcs. 3 x 12—16 at $12.50; 50 pcs. 3 x 12—14 at $12.50; 500 ft. Cull Plank at $10.

" 27. Sold to E. M. Archer, 5000 ft. C Siding at $13; 2500 ft. B Siding at $18; 500 ft. O G Siding at $19; 2000 ft. B Flooring at $33. Received in part payment, Cash $100.

" 28. Received Cash from W. E. Johnson on account, $100.

" 29. Sold J. Thompson, Burlington, 50 pcs. 3 x 12—16 at $12.50; 100 pcs. 2 x 6—16 at $11; 250 pcs. 2 x 8—16 at $14; 2500 ft. B Flooring at $33. Received in payment, L. J. Gage's Note, dated April 23rd, due 63 days from date; face of Note, $200. Balance on account.

" 30. Received Cash of J. Hixon, Indianapolis, on account, $300.

## INVENTORY.

| | |
|---|---|
| Stock unsold May 31, 19—, | $9803.53 |
| Horses and Wagon, worth | 810 |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $6878.25 |
| Bills Receivable on hand, | 1838.20 |
| Bills Payable outstanding, | 3250. |
| Personal Accounts owing us, | 1173.74 |
| Personal Accounts we owe, | 651. |
| A. White's Net Capital at closing, | 8281.37 |
| S. Phillips' " " " | 8321.35 |

## TRANSACTIONS.

19—

June 1. Paid Cash for one month's rent of Yard and Office.

" 2. Bought of Mears & Bates, 6000 ft. Clear ⅜ Ceiling, Beaded, at $23; 5000 ft. C Stock Boards at $32. Gave in part payment an order on E. M. Archer for $200.

" 4. Paid Blanchard & Co., in full of account, E. M. Archer's Note of April 29th. Face of Note, $87.50; Interest allowed to date, our favor, 50¢. Received the balance in Cash.

" 5. Sold to George Fuller, 50 M White Pine Lath at 2.15; 200 pcs. 2 x 4—16 at $12.50; 100 pcs. 2 x 8—16 at $14; 1 M Cedar Posts, Split, at $18 per hund.; 3000 ft. Clear ⅜ Ceiling, Beaded, at $26; 20 M Select Flat Pickets at $11. Received in part payment, his Note at 30 days for $500.

" 6. Discounted at Union National Bank, J. B. Sherwood's Note of May 7th. Face of Note, $500; Discount of ** days at 8%, $*.**. Net proceeds received in Cash, $***.**.

" 8. Sold Thomas Hill, 2000 ft. Clear Siding at $25; 50 M Lath at $2.60; 240 pcs. 2 x 4—10 at $12. Received in payment, Cash, $150.

" 9. Sold to M. Adams, 25 M Select Square Pickets, D. & H., at $20; 2000 ft. A Flooring, D. & M., at $34; 3000 ft. Fencing at $13.50; 8 Doors at $2.75; 20 pcs. 4 x 4—16 at $15. Received in part payment, his Check on City Bank for $500.

" 11. Paid Mears & Bates Cash for our Note of April 9th. Face of Note, $1385. Interest on same at 8%, $**.**.

" 12. Sold J. Hixon, Indianapolis, 30 prs. Blinds at $1.95; 2500 ft. Common Boards at $14; 1600 ft. A Flooring at $35. Received his Note at 30 days, drawing 8% interest, for $100.

" 13. Received Cash of George Fuller, on account, $125.

" 14. Sold to Thomas Hill, 50 M Sawed Shingles at $3.25; 10 M Lath at $2.15; 5000 ft. A Box Boards at $49. Received in part payment, Cash, $300.

" 15. Remitted M. Withrow & Co., La Porte, Ind., our Check in full of account.

" 16. Paid Cash to Foreman and Yard Hands for services to date, $68.50.

" 18. Sold to J. Thompson, Burlington, 200 pcs. 2 x 6—18 at $14; 150 pcs. 2 x 4—12 at $14; 3500 ft. B Stock Boards at $38; 1500 ft. No. 2 Fencing at $11. Received in full payment, Cash.

" 19. Received Cash of S. Bradshaw for his Note, now due, with 6% interest from date.

" 20. Sold Geo. Fuller, on account, 2000 ft. A Stock Boards at $44; 1500 ft. C Stock Boards at $32.

" 21. Received Cash of J. C. Brown in full of account.

" 22. Sold M. Adams, 40 M Extra A Shingles at $2.40; 3500 ft. B Flooring at $32; 2000 ft. C Flooring at $24. Received in part payment, Cash, $200.

" 23. Received of J. Thompson, Burlington, Cash in full of account.

" 25. Received Cash of L. J. Gage for his note and interest at 6%, due this day.

" 26. Sold for Cash to A. M. Baker, 3000 ft. Common Boards at $13; 2000 ft. Cull Plank at $10; 1500 ft. Common Fencing, S 1 S, at $16.

" 27. Received of Geo. Fuller, on account, Cash, $300; his Note at 30 days for balance to close.

" 28. Sold for cash to Herman Weisinger, 50 pcs. 3 x 12—16 at $12.50; 50 pcs. 2 x 6—16 at $14; 20 pcs. 4 x 6—12 at $12.50; 500 ft. O G Siding at $19.

19—

June 29. Received Cash of J. C. Brown for his Note of April 27th and interest, due to-day.

" 30. Paid Cash to Foreman and Yard Hands in full for month's work, $74.20.

## INVENTORY.

| | |
|---|---|
| Stock unsold June 30, 18—, | $7614.89 |
| Horses and Wagon, worth | 805. |

## RESULTS.

| | |
|---|---|
| Cash on hand, | $8407.63 |
| Bills Receivable on hand, | 1066.74 |
| Bills Payable outstanding, | 1865. |
| Personal Accounts owing us, | 909.70 |
| Personal Accounts we owe, | 194. |
| A. White's Net Capital at closing, | 8352.49 |
| S. Phillips' " " " | 8392.47 |

### QUESTIONS FOR REVIEW.

1. What of the importance of the lumber interests of the United States? 2. Does the lumber business require a peculiar form of book-keeping? 3. Where and when are the orders entered? 4. If the lumber is to be shipped away, what is made out from this Order Book? 5. If the lumber is to be delivered, what is made out? 6. Where are the entries on the Order Book carried? 7. How are they marked when so transferred? 8. What is the nature of the Sales Book? 9. What is entered in the wide column under the head of Lumber? 10. What is the "Mdse." column used for? 11. What entries are posted from this book? 12. What entries are not posted? 13. Where do you carry the total sales? 14. What is the nature of the Invoice Book? 15. From it what entries are posted? 16. What entries are not posted? 17. What other books are kept in this set besides the three before mentioned? 18. What transactions are recorded in the Journal? 19. Is the Journal a book of original entry in this set? 20. Define a foot of lumber? 21. Give the rule for finding the number of feet in a board? 22. Suppose you take in as a partner one of your creditors, he investing in the business the amount which you owe him, and $5000 cash besides, what entry? 23. Suppose you sell a one-half interest in your business to one of your creditors for a price, he investing nothing in the business directly, but turns over his account against you as part payment, and pays you cash for the remainder of the one-half interest, what entry?

# Corporations and Joint Stock Companies.

A CORPORATION is an association of individuals having the capacity of transacting business as a single individual. In the eyes of the law, a Corporation is a person, under an adopted name, and as such may sue and be sued, and perform all acts within the scope of its business the same as a natural person. In addition to this, Corporations are endowed by law with certain powers which individuals do not possess, such as the power of a railroad company to condemn land for its right of way; and in turn the State lays certain obligations and restrictions upon Corporations, such as regulating the fares charged by a railroad company, etc.

The capital of a Corporation is divided into shares, usually valued at $100 each, and persons owning one or more of such shares are called Shareholders or Stockholders.

Corporations are formed either by a special act of the Legislature, called a Charter, or by conformity to a General Statute designed to cover all Corporations of a particular kind, this being the more common.

## JOINT STOCK COMPANIES.

A Joint Stock Company is an association of individuals who combine their capital for the purpose of carrying forward some enterprise requiring a larger amount of capital than any single person would be able or willing to invest. The capital is divided into shares and held by the Stockholders, the same as in Corporations. Joint Stock Companies may sue and be sued through their president the same as Corporations, but they are given no special rights or privileges by the State, neither are they restricted in their methods of doing business, as are Corporations.

Joint Stock Companies are formed by the acts of its members, without any intervention of the State, since it derives no rights or powers from the State.

## MANAGEMENT.

The management of Corporations and also of Stock Companies is confided to a Board of Directors (usually twelve) elected annually by the Stockholders, each Stockholder having one vote for each share of stock owned by him. The President and permanent officers of the company are elected by the Board of Directors.

## SUCCESSION AND CHANGE.

While in an ordinary partnership the firm is dissolved upon the death of a member, in a Corporation or Joint Stock Company his heirs or assigns succeed to the ownership of the stock, and the existence of the company is not affected. This is one of the advantages of a company over a single proprietorship or a co-partnership, since it insures the continuance of a business which in many instances is the result of many years of labor and experience.

## PROFIT SHARING.

When a business is extensive and varied, each department requiring special attention, it is often impossible for a single proprietor or even the partners of a firm to personally oversee

and supervise the entire interests of the concern. In such cases it is becoming quite common to form Stock Companies or Corporations, admit the heads of the various departments as shareholders and thus give them a direct interest in the success of the enterprise. This acts as an extra stimulus to vigilance and effort. Frequently stock is sold to employes other than heads of departments for the same reason.

## LIABILITIES OF STOCKHOLDERS.

In a partnership and also in a Joint Stock Company each member is liable for the debts of the firm unless it be a "special" or "limited partnership," in which case he is liable for the amount of his investment only, but in Corporations (except national banks) the stockholders are not usually responsible beyond the amount of their stock. If that is fully paid up no further demand can be made. In the case of national banks the government has placed a "double liability" upon stockholders, or made them liable for as much more as the stock held. Individuals will contribute of their means to carry forward an enterprise for private and public benefit when so doing will not involve them in risk beyond a definite sum, while they would refuse to enter into an ordinary partnership with its attendant risks, formed for the same purpose. But, on the other hand, the commercial credit of a partnership or Joint Stock Company is always higher than a Corporation, on account of the fact that each member in the former is personally responsible for debts contracted, while in the latter he is not.

## CONTROLLING INTEREST.

In the election of officers to conduct the affairs of the company each stockholder has one vote for each share of stock held by him. Thus a person owning more than one-half of the stock is able to "control" the election, and is said to possess a "controlling interest." In a company in which the capital is divided into 1000 shares, a controlling interest would be 501 shares. A person who owns a controlling interest may elect such officers as he desires, usually placing himself at the head of the list as President.

## HOW TO FORM A CORPORATION.

Several persons, not less than three, desiring to form a Corporation for any purpose, meet and discuss the matter. One of the number should act as chairman of the meeting and another as secretary. The latter makes brief notes of the proceedings, which are afterwards copied into a book prepared for the purpose, called a Minute Book.

It is decided by a vote of those present to form a Corporation for the purpose of manufacturing various kinds of cast and wrought iron work, to be known as the Phoenix Manufacturing Co., with a capital stock of $80,000, and to solicit subscriptions for the purpose from their fellow citizens. A statement setting forth the above facts is drawn up, signed by those present and acknowledged before a notary. This statement is then forwarded to the Secretary of State,* who issues to the aforesaid persons a license, authorizing them to open books for subscription.

This is a book of ruled columns for the purpose of recording the subscriptions of persons desiring to become Stockholders in the company. As will be readily seen by its form, it binds and makes responsible the original subscriber for stock.

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* In different States this method of procedure may be varied somewhat. It would be necessary to consult the Satute of the State in which the Corporation is located, and follow that strictly.

## SUBSCRIPTION BOOK.

We, the undersigned, subscribe for the amount of the Capital Stock of the Phoenix Manufacturing Company set opposite our respective names, and agree to pay the calls upon the said stock as they become due:

| Date. | Subscription. | Par Value. | Name and Seal. | Address. |
|---|---|---|---|---|
| 19— | | | | |
| June 1 | One Hundred Shares | 10000 | John Davis (seal) | Milwaukee, Wis. |
| " 1 | One Hundred and Fifty Shares | 15000 | Jos. W. Carter (seal) | Boston, Mass. |
| " 1 | Seventy-five Shares | 7500 | E. J. Thompson (seal) | Chicago, Ill. |
| " 3 | Fifty Shares | 5000 | C. W. Anderson (seal) | Chicago, Ill. |
| " 3 | Twenty-five Shares | 2500 | J. C. Adams (seal) | Columbus, O. |
| " 4 | Eighty Shares | 8000 | Edward L. Harrison (seal) | St. Louis, Mo. |
| " 5 | One Hundred and Twenty Shares | 12000 | James Berry (seal) | St. Louis, Mo. |
| " 8 | One Hundred Shares | 10000 | S. G. Doty (seal) | Chicago, Ill. |
| " 8 | Fifty Shares | 5000 | Fred K. Root (seal) | Madison, Wis. |
| " 9 | Fifty Shares | 5000 | A. L. Wilson (seal) | Detroit, Mich. |
| | | 80000 | | |

As soon as the Capital Stock is all subscribed, a meeting of subscribers is called to elect directors and transact other business. A report of the proceedings of this meeting is prepared, sworn to by the original subscribers, and sent to the Secretary of State, who thereupon issues a Certificate of the complete organization, which Certificate must be recorded in the county records, after which the Corporation is ready to begin business.

## INSTALLMENT LIST.

As soon as a call is made by the Board of Directors upon the Capital Stock, an Installment List is prepared in the following form, and for each call or installment a separate list is prepared, these being numbered 1, 2, etc.:

### Installment List No. 1.

In accordance with a resolution of the Board of Directors of the Phoenix Manufacturing Company, a first call of fifty per cent. of the Capital Stock of said company is due and payable on the 1st day of July, 19—.

| When Received. | Subscribers. | Shares. | Installment. | Interest. | Amount Received. | Remarks. |
|---|---|---|---|---|---|---|
| 19— | | | | | | |
| July 1 | John Davis | 100 | 5000 | | 5000 | |
| " 1 | Jos. W. Carter | 150 | 7500 | | 7500 | |
| " 1 | E. J. Thompson | 75 | 3750 | | 3750 | |
| " 3 | C. W. Anderson | 50 | 2500 | 83 | 2500 83 | |
| " 3 | J. C. Adams | 25 | 1250 | 42 | 1250 42 | |
| " 5 | Edward L. Harrison | 80 | 4000 | 2 67 | 4002 67 | |
| " 6 | James Berry | 120 | 6000 | 5 | 6005 | |
| " 7 | S. G. Doty | 100 | 5000 | 5 | 5005 | |
| " 10 | Fred K. Root | 50 | 2500 | 3 75 | 2503 75 | |
| " 12 | A. L. Wilson | 50 | 2500 | 4 58 | 2504 58 | |
| | | 800 | 40000 | 22 25 | | |

As the calls upon the Capital Stock are paid in, Installment Script is issued to the shareholders as receipts therefor, in the following form:

## INSTALLMENT SCRIP.

**INSTALLMENT SCRIP NO. 1.**

*Dated July 1, 19—*

*One Hundred Shares of $100 each.*

*First Installment, 50 per cent.*

*Received receipt for same.*

*JOHN DAVIS.*

$5,000. 100 SHARES OF $100 EACH.

**Phoenix Manufacturing Company.**

INSTALLMENT SCRIP.

**Received of** *JOHN DAVIS, Five Thousand Dollars, being the first call of 50 per cent. on one hundred shares of the Capital Stock of the* PHOENIX MANUFACTURING COMPANY.

*The said shares are reserved and set apart for him or his assigns, on condition that he or they fulfill the terms of his subscription.*

**In Witness Whereof,** *we hereunto subscribe our names, in the City of Chicago, this 1st day of July, 19—*

[SEAL.]

A. L. DUNCAN, *Secretary.* JAMES BERRY, *President.*

When all the calls have been paid in, the Installment Scrip is exchanged for Certificates of Stock. Shareholders receiving Certificates acknowledge the receipt of same on the stub, as shown:

## CERTIFICATE OF STOCK.

**PHOENIX MANUFACTURING CO.**

*Stock Certificate No. 1, for 100 Shares.*

*Issued to John Davis.*

*Dated September 1, 19—*

*Received this Certificate.*

*JOHN DAVIS.*

CAPITAL STOCK, $80,000. 100 SHARES, $100 EACH.

*Phoenix Manufacturing Company.*

STOCK CERTIFICATE.

**This is to Certify,** *That JOHN DAVIS is entitled to One Hundred Shares of One Hundred dollars each, in the Capital Stock of the* PHOENIX MANUFACTURING COMPANY, *transferable only on the books of the said Company, by him or his lawful representative, on surrender of this Certificate.*

**In Witness Whereof,** *we hereunto subscribe our names, in the City of Chicago, this 1st day of September, 19—*

[SEAL.]

A. L. DUNCAN, *Secretary.* JAMES BERRY, *President.*

## TRANSFER BOOK.

When transfers of stock are made, former Certificates of Stock or Installment Scrip are taken up and canceled, and new ones issued.

| *Fol.* | *October 15, 19—* | 100 SHARES. |
|---|---|---|
| | *From* | *Chicago, October 15, 19—* |
| *1* | *John Davis* | **For Value Received,** *I hereby assign and transfer to J. W. Simmons, all my right, title and interest in One Hundred Shares of the Capital Stock of the* PHOENIX MANUFACTURING COMPANY, *standing in my name on the books of the said Company.* |
| *10* | *to* | |
| | *J. W. Simmons.* | |
| | *One Hundred Shares.* | |
| | *$100 each.* | *JOHN DAVIS.* |
| | *No. of Certificates* | *Witness:* |
| | *Issued. 16* *Canceled. 1* | *Samuel A. Johnson.* |

From the stub of the Transfer Book, the transaction is posted to the Stock Ledger, crediting the person *to* whom the stock is transferred and debiting the person *from* whom the stock is transferred. If the stock is fully paid up, no entry is necessary upon the General Ledger.

## STOCK LEDGER.

The Stock Ledger is similar in use and purpose to the Private Ledger in an ordinary set of mercantile books. Its object is to keep a record of the amount of stock held by the various stockholders. It would be very inconvenient to keep accounts in the General Ledger with the numerous stockholders of a Corporation, who are constantly changing. In the Stock Ledger an account is opened with each stockholder, who is credited with the amount of paid up stock which he holds. Should a stockholder sell his stock, his account in the Stock Ledger will be charged and the account of the purchaser credited. The seller delivers up to the company his certificate of shares and signs the Transfer Book. The old certificate is canceled and a new one issued to the purchaser. Thus the transfer of stock does not appear upon the General Ledger.

## OPENING BOOKS.

The shareholders of the company are represented on the General Ledger by a single account called *Capital Stock*, which should stand credited for the capital of the company. If the company is started with a cash capital all paid up, the opening entry is *Cash Dr. to Capital Stock*.

In case the stock is subscribed for, but not all paid in at once, as is usual, the Capital Stock account should be credited for the entire amount of the stock subscribed, and the subscribers should be debited personally on the General Ledger. As calls upon the stock are made, and the installments paid in, credit the subscribers' accounts, debiting Cash. When the stock is paid up, the subscribers' accounts will balance and may be ruled off.

## NOMINAL ASSETS.

All companies do not have a capital paid up in cash. In fact, such are rather the exception. A portion of the assets usually consists of some other species of property. Thus, suppose A is possessed of a valuable invention or patent right, but no money. He interests B and C, who propose with him to organize a Stock Company with a capital stock of $25000 to work the patent. A's patent is to be taken by the company at a valuation of $10000, while B and C each subscribe, and pay in cash, for $7500 of the stock. The entry on opening the books would be:

| | | |
|---|---|---|
| Cash | $15000 | |
| Patent Right | 10000 | |
| To Capital Stock, | | $25000 |

If B and C had not paid the amount of their subscriptions in cash, they would stand debited, instead of cash, in the above journal entry.

Suppose a company is formed and a valuable privilege secured from a town or city, to furnish gas, or operate a street railway; and suppose that the actual cash capital required is $100000. It is believed by the incorporators that the profits will pay a satisfactory per cent upon twice that amount, and hence the company is capitalized for $200000. The entry on opening the books of the company would be

| | | |
|---|---|---|
| Stockholders | $100000 | |
| (Naming them.) | | |
| Franchise | 100000 | |
| To Capital Stock, | | $200000 |

The account with Franchise represents an asset of the company, although it may have a fictitious value. "Franchise" as an asset, may consist in a patent right, a valuable leasehold,

a monopoly, as a mine, a reputation, or in nothing, and used simply to get a real account upon the books and create a favorable impression with the public by having a large Capital Stock. In such case, each share of stock is issued to the subscribers upon payment of one-half its par value.

It frequently occurs in the organization of a company that stock is issued to a person known as the "promoter" or organizer in payment for his services in securing the franchise, organizing the company and selling the stock. His certificate of stock is filled out and handed to him the same as other subscribers and the amount is included in the debit of Franchise account.

In case it should be desirable to withhold a portion of the stock for sale for a time, in the hopes of selling it at a premium, after the success of the enterprise is assured, or with the intention of selling it as the funds might be needed to develop the enterprise, or as a working capital, the amount of stock so withheld could be charged to an account called *Treasury Stock* in the opening entry, and as the stock is disposed of, that account will be credited.

## CHANGING FROM PARTNERSHIP TO STOCK COMPANY.

To convert a Partnership into a Stock Company, where the business remains in the same hands, close the partner's accounts into the account of Capital Stock, issuing to each of the partners their respective shares of stock. Or this may be accomplished by means of a journal entry. Thus, suppose A, B and C are partners in a business, and desire to change the firm into a company having the same capital. A has an interest in the firm of $5000. B has an interest of $4000, and C $3000. The journal entry would be

| | | |
|---|---|---|
| A | $5000 | |
| B | 4000 | |
| C | 3000 | |
| To Capital Stock | | $12000 |

The individual accounts of the partners now balance and are ruled up. A will then receive a Certificate of 50 shares of stock at $100 each, B 40 shares and C 30 shares. A Stock Ledger is opened and each shareholder is credited with the amount of the stock he holds.

Were the stock of the above company increased, as for instance to $20000, the difference of $8000 would be charged to a nominal asset as Good Will.

## DIVIDENDS AND RESERVE.

The profits of Corporations are distributed among the Stockholders annually or semi-annually as "Dividends," but it seldom occurs that any well-managed company declares a Dividend amounting to the full sum of its earnings. Corporations set aside a portion of their profits as a "Reserve" or "Surplus," to meet possible future losses. This "Reserve not only serves as a provision against contingent losses, which in a company having a paid-up capital could not be met in any other way, unless by voluntary contributions from the stockholders, but also the exceedingly useful purpose of enabling the company to pay as nearly as possible a uniform Dividend from year to year, and thus save the stock from such fluctuations in value as would ensue were the Dividends constantly changing.

Suppose at closing the books, when the Profit and Loss account is made up, it stands credited with $8000 as the net profit for the year upon a capital stock of $100000. The Directors decide to declare a 6% Dividend, and carry the remainder to "Reserve." The entry would be:

| | | |
|---|---|---|
| Profit and Loss | $8000 | |
| To Dividend | | $6000 |
| " Reserve | | 2000 |

Or upon the debit side of Profit and Loss account enter in red ink "*To Dividend $6000,*" and upon the next line "*To Reserve $2000,*" and carry these amounts to the credit of their respective accounts.

The book-keeper then enters the dividend in a book prepared for the purpose, called a Dividend Book, in which the names of each shareholder, amount of stock and amount of dividend is given, as follows:

## DIVIDEND BOOK.

DIVIDEND NO. 1. EXCELSIOR MANUFACTURING CO. 6%.

| DATE. | SHAREHOLDERS. | NO. OF SHARES. | PAR VALUE OF SHARES. | AMOUNT OF DIVIDEND. | WHEN PAID. | RECEIPT FOR PAYMENT. |
|---|---|---|---|---|---|---|
| 19— | | | | | | |
| July 1 | John Davis | 100 | 10000 | 600 | July 2 | John Davis. |
| " 1 | Jos. W. Carter | 150 | 15000 | 900 | July 3 | Jos. W. Carter. |
| " 1 | E. J. Thompson | 75 | 7500 | 450 | July 5 | E. J. Thompson. |
| " 1 | C. W. Anderson | 50 | 5000 | 300 | | |

As each Stockholder receives his dividend he receipts therefor in the right hand column, or if a non-resident, signs a receipt prepared by the company for the purpose.

As the dividend is paid, Dividend account is debited and cash is credited on the books of the company.

## STOCK DIVIDENDS.

Where the profits of a company are large and it is desired to conceal from the public the amount of the Dividends paid to Stockholders, it is done by issuing stock for a portion of the Dividend. The company declares a reasonable Dividend in cash and places a certain amount to the credit of "Reserve," of which the public are informed, and then distributes the remainder of the profits in stock, of which the public are kept in ignorance. In such cases the entry for closing would be:

| | | |
|---|---|---|
| Profit and Loss | $20000 | |
| To Dividend | | $8000 |
| " Reserve | | 4000 |
| " Capital Stock | | 8000 |

The objection urged against paying Stock Dividends is that it deceives the public as to the company's profits, and thus enables the company to maintain excessive prices for its wares. It may be, however, for no such purpose, but to increase the capital of the company and enlarge the business. It is equivalent to paying the dividends in cash, and then the stockholders investing again in additional stock of the company.

## COMMON AND PREFERRED STOCK.

"Common Stock" is the ordinary stock of a Corporation issued under no special conditions or agreement. Preferred Stock is that which is issued under a special contract entitling it to a preference in the payment of Dividends. This may arise as follows: A Corporation is in financial difficulties and must have more capital. Stock is issued to raise this necessary cash, with a special agreement that the Dividends upon this "Preferred" Stock amounting to a certain per cent shall be paid out of the net profits *first*. If anything is left after the Preferred Dividends are paid, the Common Stock will then receive a Dividend.

## WATERING STOCK.

This consists in writing up or issuing a greater amount of stock than the value of the assets will justify. It is an inflation of the Capital Stock of the company. When the net profits of a Corporation yield a large per cent upon the capital, were the public aware of the fact, there would be a general clamor and demand for a reduction in the cost of the commodity or services

furnished by the company, or it would stimulate competition, and others would enter the field. To avoid this the Capital Stock is inflated or watered, so that the profits are but a reasonable per cent. upon the amount of stock. When the Capital stock of a company is "watered" beyond the fair and reasonable valuation of its property and franchises, the proceeding is unjust, and is usually for dishonest purposes, by deceiving the public and buyers of the stock.

## QUESTIONS FOR REVIEW.

1. What is a Corporation? 2. How is the capital of Corporations divided? 3. How are Corporations formed? 4. What is a Joint Stock Company? 5. What is the difference between a Corporation and a Joint Stock Company? 6. How are Corporations and Joint Stock Companies managed? 7. How many Directors are there usually? 8. In what manner are Directors elected? 9. By whom are the President and permanent officers of the company chosen? 10. What is the result of a change of Stockholders by death or otherwise? 11. What is the advantage of a Joint Stock Company over a co-partnership in reference to profit sharing? 12. What can you say of the liability of Shareholders in a Corporation for debts of the Company? 13. How does the liability of Shareholders in a Corporation differ from that of Shareholders in a Joint Stock Company? 14. Can any further demands be made upon the Stockholders in a Corporation if the stock is fully paid up? 15. What is the exception to this rule? 16. Which has the higher commercial credit, a Corporation or a Joint Stock Company, and why? 17. What is a "controlling interest"? 18. How many persons may organize a Corporation? 19. Explain the method of procedure in order to form a Corporation? 20. What is a Subscription Book? 21. Does it bind subscribers for stock? 22. When the Board of Directors direct a call to be made upon the Capital Stock of the company, what must be prepared? 23. Suppose there are several calls made, how are they distinguished? 24. As the installments are paid in, what is issued to the Stockholders? 25. What is this Installment Scrip exchangeable for? 26. When? 27. In case a Stockholder sells his stock, what formalities are necessary to be gone through with? 28. What is the object of a Stock Ledger? 29. What accounts are opened in the Stock Ledger? 30. What entry is made in this Ledger when A sells B his stock? 31. What account on the General Ledger represents the aggregate of the Stock Ledger? 32. If the Corporation is started with a cash capital all paid in, what would be the entry at opening the books? 33. If the stock is subscribed for, but not all paid in, what entry is made at opening the books? 34. What are "nominal" assets? 35. Suppose the capital of a company is $40000, and its property is valued at $20000, what account could be charged for the difference? 36. What may "Franchise" include? 37. How often are the profits of Corporations distributed among the Stockholders usually? 38. What are these profits called? 39. Do Corporations declare dividends to the full extent of the profits earned? 40. Why not? 41. To what account is the remainder of the profits, above the dividend, carried? 42. What are Stock Dividends? 43. What may be the object of a Stock Dividend? 44. What is Common Stock? 45. What is Preferred Stock? 46. What is "watering stock"? 47. Is watering stock always or ever a dishonest proceeding, and if so, when?

# MANUFACTURING.

IN the accounts of a manufacturing business the distinguishing feature consists in the fact that the cost of the product, or manufactured article, is made up from the cost of raw material, and labor expended upon it, and therefore requires a slightly different system of accounting from that of a mercantile business.

Any system of accounts which will compass the desired results with the least labor, and furnish the most concise and convenient histoy of the business, is best adapted to the manufacturer's use. The forms used in this set were turnished (with slight modifications) by the proprietor of an extensive manufactory, and are believed to combine the requirements as outlined above in a very high degree.

## ORDER BOOK.

This might also properly be called a Sales Book. Into it are entered the orders for goods as they are received, and from it the bills are made out. As the order is entered in this book, the price is placed after each item if the price is known, but the amounts are not extended until the order is shipped. When the goods are shipped, the book-keeper marks it "Shipped by R. R.," or otherwise, with the date of shipment, extends the amounts into the columns, and renders a bill to the customer. From this book the entry is carried to the

## MANUFACTURER'S JOURNAL.

This book, which is the most important one of the set, is arranged with columns for the different general accounts of the business. These columns may be increased or diminished in number to suit the ideas of the book-keeper or the requirements of any particular business. The great advantage in this Journal is in the fact that it shows at all times the condition of the principal accounts of the business. In posting, personal accounts are carried to the Ledger, together with such others as may not have a column in the Journal. The labor of posting is thereby reduced to the minimum. A Trial Balance is obtained by taking the footings of the columns in the Journal and to them adding the Ledger accounts. In addition to the Order Book, Journal and Ledger, it would be necessary, in a business where notes were given and received, to keep a Bills Receivable and Bills Payable Book as auxiliary.

## THE TIME BOOK

Is a book for recording the name, wages and time of each employe. This is also an auxiliary book, and where the hands are paid regularly and not allowed to draw wages between pay-days, a simple form of Time Book, as here given, is all that is necessary. It is usually desirable to make up the pay-roll to a date previous to the date of payment. Thus, if hands are paid on Saturday, it is well to make up the time to Friday night in order to have the pay in readiness at closing time. This is especially desirable where hands work by piece-work, as it is impossible to ascertain what is due each workman until closing time. The Time Book herewith given is arranged with a view to making up the pay-roll to the previous night.

It is proposed to conduct the following Manufacturing business as a Joint Stock Company, and having complied with the requirements of law, the incorporators have opened books of subscription to the Capital Stock of the Company.

## SUBSCRIPTION LIST.

We hereby subscribe for the amount of Capital Stock in the Excelsior Manufacturing Company set opposite our names and seals, and agree to pay the calls upon the said stock as they become due:

| DATE. | SUBSCRIPTION. | AMOUNT. | SIGNATURE AND SEAL. | RESIDENCE. |
|---|---|---|---|---|
| 19— | | | | |
| Feb. 1 | Two Hundred Shares | 20000 | James W. Cameron (seal) | Chicago |
| " 1 | Two Hundred Shares | 20000 | Louis C. Davis (seal) | Chicago |
| " 1 | One Hundred and Fifty Shares | 15000 | C. H. Dexter (seal) | Milwaukee |
| " 1 | One Hundred Shares | 10000 | Amos Williams (seal) | Chicago |
| " 1 | One Hundred Shares | 10000 | J. W. Webster (seal) | Chicago |
| " 1 | One Hundred Shares | 10000 | John A. Long (seal) | Cleveland |
| " 2 | Fifty Shares | 5000 | Cyrus D. Holmes (seal) | Chicago |
| " 2 | Fifty Shares | 5000 | Alex. H. Smith (seal) | Detroit |
| " 3 | Fifty Shares | 5000 | J. C. Church (seal) | Omaha |
| | | 100000 | | |

The subscription list binds and makes responsible the original subscribers for stock.

Having obtained the certificate of incorporation, the Board of Directors of the Excelsior Manufacturing Company have decided to call fifty per cent. of the capital stock, due on March 1st, 19—

## INSTALLMENT LIST NO. 1.

In accordance with a resolution of the Board of Directors of the Excelsior Manufacturing Company, a first call of fifty per cent. of the Capital Stock of the company is due and payable on the 1st day of March, 19—.

| WHEN RECEIVED. | SUBSCRIBERS' NAMES. | SHARES. | INSTALLMENT. | INTEREST. | AMOUNT RECEIVED. | REMARKS. |
|---|---|---|---|---|---|---|
| 19— | | | | | | |
| Mar. 1 | James W. Cameron | 200 | 10000 | | 10000 | |
| " 1 | Louis C. Davis | 200 | 10000 | | 10000 | |
| " 1 | C. H. Dexter | 150 | 7500 | | 7500 | |
| " 1 | Amos Williams | 100 | 5000 | | 5000 | |
| " 1 | J. W. Webster | 100 | 5000 | | 5000 | |
| " 10 | John A. Long | 100 | 5000 | 7 50 | 5007 50 | |
| " 10 | Cyrus D. Holmes | 50 | 2500 | 3 75 | 2503 75 | |
| " 20 | Alex. H. Smith | 50 | 2500 | 7 92 | 2507 92 | |
| " 26 | J. C. Church | 50 | 2500 | 10 42 | 2510 42 | |
| | | 1000 | 50000 | 29 59 | | |
| | Interest | | 29 59 | | | |
| | | | 50029 59 | | 50029 59 | |

Entered in Journal Folio 208.

# INSTRUCTIONS.

The student will proceed to enter the following transactions in the proper books, as shown by forms given. Post and take a Trial Balance only at the end of March. Close the books at the end of April, as per instructions given on page 230.

## LEDGER HEADINGS.

Capital Stock, 8 lines; James W. Cameron, 8; Louis C. Davis, 8; C. H. Dexter, 8; Amos Williams, 8; J. W. Webster, 8; John A. Long, 8; Cyrus D. Holmes, 8; Alex. H. Smith, 8; J. C. Church, 8; Chambers & Mitchell, 8; J. F. Wells, 8; J. Houston, Peoria, Ill., 8; Crerar, Adams & Co., City, 8; Robert Law, 8; J. L. Cashel, La Crosse, Wis., 10; Mears & Bates, 10; Warren & Co., Muscatine, Ia., 10; Excelsior Manufacturing Co., Omaha, Neb., 10; R. Phillips, 10; F. Durell, Quincy, Ill., 10; W. Hurd, Racine, Wis., 10; S. F. Lancey, St. Paul, Minn., 10; S. Bogardus, Springfield, Ill., 10; A. J. Reed & Son, Indianapolis, Ind., 8; Hubbard Bros., 8; Burton & Gardner, Bloomington, Ill., 8; Shipment, Amos Douglas & Co., St. Louis, 8; Amos Douglas & Co., St. Louis, 8; Insurance, 8; Collection Fees, 10; Profit and Loss, 10; Dividend No. 1, 8; Reserve Fund, 8. An account with each Stockholder in the Stock Ledger, 8.

## TRANSACTIONS.

19—

March 1. A Stock Company has this day been formed under the name of the Excelsior Manufacturing Co., located in Chicago, with James W. Cameron, President; Louis C. Davis, Vice President, and Amos Williams, Secretary and Treasurer. Capital Stock, $100000, divided into 1000 shares of $100. The purpose of said Company is to carry on the business of manufacturing agricultural implements.

Debit each subscriber as per Subscription List and credit Capital Stock.

" 1. The first call upon the Capital Stock of the Company has been responded to by a portion of the subscribers, and $37500 in cash is this day received.

Debit Cash and credit the several subscribers who have paid. Also open an account in the Stock Ledger with each subscriber, and credit those who have paid with the amount of the first installment.

" 1. The Excelsior Manufacturing Co. has this day purchased of Chambers & Mitchell their entire Plant, consisting of Factory and Machinery valued at $30000; other assets, consisting of Material on hand valued at $4500; Warren Brown's Note due May 18th after date, endorsed by Chambers & Mitchell, for $1650, with 6% interest; Lyman Munger's Note at 6 months from January 6th, endorsed by Chambers & Mitchell, for $3500, bearing 7% interest; E. K. Losier's Note at 3 months from February 20th, favor Chambers & Mitchell and by them endorsed, for $500, bearing 8% interest. Total $40150. Gave in part payment, Cash, $20000. Balance due in one year.

" 2. Bought on account of J. F. Wells 5 M ft. Oak Lumber at $40, $200.

" 3. Received from J. Houston, Peoria, Ill., order for 36 Double Plows at $8, $288; 1 Roller at $22; 72 Shovel Plows at $3, $216; which we have shipped by C. & A. R. R. this day.

" 3. Bought on account of Crerar, Adams & Co., 4809 ♯ Bar Iron at 8½¢, $408.76.

" 3. Bought of A. Ford, for Cash, 10 gallons Machine Oil at 85¢, $8.50.

" 3. Bought of Robert Law, on account, 10 tons Coal at $7.60, $76.

" 3. Received an order from J. L. Cashel, La Crosse, Wis., for 6 Single Cultivators at $28, $168, which we ship to-day by C. & N. W. R. R.

" 4. Paid J. Quealy Cash for 1640 ♯ Castings at 4¢, $65.60.

" 4. Bought of Mears & Bates, on account, 20 M ft. Hickory Lumber at $35, $700.

" 4. Received an order from Warren & Co., Muscatine, Iowa, for 5 Double Corn Cultivators at $40, $200; 50 Double Plows at $8.25, $412.50; shipped this day by C., B. & Q. R. R.

19

March 5. Paid Bishop & Warner Cash for 4 kegs 8d Nails at $4.25, $17; 2 kegs Clinch Nails at $6.50, $13.

" 6. For the purpose of extending the sale of our manufactures, we have established a branch house at Omaha, Neb., and have this day shipped thereto, 1 Steam Thresher with Portable Engine Complete, $1100; 2 Farm Rollers at $20, $40; 20 Double Corn Cultivators at $35, $700; 10 Corn Planters at $35, $350; 6 Corn Stalk Cutters at $30, $180. Less 20%. Shipped this day per U. P. R. R.

Although not properly an order, yet for the sake of uniformity this transaction may be entered in the Order Book. Open an account with Excelsior Manufacturing Co., Omaha, Neb. Goods shipped to branch houses are billed and charged at the wholesale price.

" 6. Bought of R. Phillips, 12 M ft. Ash Lumber, clear, at $40, $480.

" 6. Received an order from F. Durell, Quincy, Ill., for 50 Shovel Plows at $3, $150; 12 Double Corn Cultivators at $40, $480. Less 20%. Shipped this day per C., B. & Q. R. R.

" 7. Paid workmen Cash as per Time Book, $306.57.

" 9. Received an order from J. Houston, Peoria, Ill., for 6 Corn Planters at $38, $228; 20 Double Corn Cultivators at $40, $800.

Not entered in Manufacturer's Journal until shipped, and then under date of shipment of order.

" 10. Bought of Robert Law, on account, 19 tons Coal at $5, $95.

" 10. Bought of J. F. Wells, on account, 25 M ft. Oak Lumber at $40, $1000.

" 10. Received an order from W. Hurd, Racine, Wis , for 12 Corn Planters at $38, $456; 15 Shovel Plows at $3, $45. Less 20%. Shipped this day per C. & N. W. R. R.

" 10. Received an order from S. F. Lancey, St. Paul, Minn., for 25 Corn Planters at $38, $950; 12 Double Harrows at $6.50, $78. Less 10%. Shipped this day per C., M. & St. P. R. R.

" 10. Having decided to enlarge our Plant, we have put in a new Corliss Engine and additional Machinery, at a cost of $12460, for which we have paid Cash.

" 10. Received from Stockholders for payments on first call of 50% on the Capital Stock, as per Installment List No. 1, $7500; Interest on past due installments, $11.25. Total $7511.25, received in Cash.

" 11. Bought of Robert Law, on account, 19 tons Coal at $5, $95.

" 11. Bought of J. F. Wells, on account, 25 M ft. Oak Lumber at $40, $1000.

" 11. Received an order from W. Hurd, Racine, Wis., for 12 Corn Planters at $38, $456; 15 Shovel Plows at $3, $45. Less 15%. Shipped this day per C. & N. W. R. R.

" 11. Received an order from S. F. Lancey, St. Paul, Minn., for 25 Corn Planters at $38, $950; 12 Double Harrows at $6.50, $78; shipped to-day per C., M. & St. P. R. R.

" 11. Paid Robert Law on account, Cash, $20.

" 12. Received an order from J. L. Cashel, La Crosse, Wis., for 6 Corn Planters at $38, $228; 12 Double Harrows at $6.50, $78.

" 12. Paid J. F. Wells, Cash, on account, $275.

" 13. Paid Bishop & Warner Cash for 2 kegs of 6d Nails at $4.50, $9; 2 kegs 8d Nails at $4.25, $8.50; 1 keg 10d Nails at $4.75.

" 13. Received an order from S. Bogardus, Springfield, Ill., for 36 Sod Plows at $14, $504.

" 14. Received from J. Houston, Peoria, Ill., his Note at 13 days, dated the 13th inst., drawing 8% interest, for $500, endorsed by M. R. Johnson. Forwarded same to First National Bank of Peoria for Collection. Shipped per C., B. & Q. R. R. the goods ordered by him on the 9th inst.

" 14. Paid J. Allison Cash for Paints, Oils and Varnish as per bill rendered, $178.75.

19—

March 14. Paid Cash for laborers as per Time Book, $331.73.

" 16. Shipped per C. & N. W. R. R. to J. L. Cashel, La Crosse, Wis., the goods ordered on the 12th inst.

" 16 Paid Crerar, Adams & Co. Cash, on account, $200.

" 17. Shipped to-day by C. & A. R. R. to S. Bogardus, Springfield, Ill., the goods ordered on the 13th.

" 17. Received from S. F. Lancey, his Note at 15 days from the 14th, for $1000, bearing 7% interest, endorsed by J. G. Rogers. We have forwarded same to Union National Bank of St. Paul, for collection.

" 18. Paid Mears & Bates on account, Cash, $500.

18. Bought of A. Ford, for Cash, 10 gallons Machine Oil at 85¢, $8.50.

18. Received an order from F. Durrell, Quincy, for 6 Corn Planters at $38, $228; 24 Double Harrows at $6.50, $156; 50 Shovel Plows at $3, $150; shipped this day per C., B. & Q. R. R. and billed at 12½% and 5% off.

" 18. Received an order from our Branch House in Omaha for 12 Double Harrows at $8; 50 Shovel Plows at $4; 20 Sod Plows at $15; which we ship by C., B. & Q. R. R. this day and bill at 20% off.

18. Received Cash of W. Hurd, Racine, Wis., on his account, $400.

" 18 Received an order from Warren & Co., Muscatine, Ia., for 6 Corn Planters at $38, $228; 3 Corn-stalk Cutters at $42, $126.

" 19. Received an order from W. Hurd, Racine, Wis., for 6 Corn-stalk Cutters at $32, $252; 12 Corn Planters at $38, $456.

19. Received from our Branch House in Omaha, Cash, on account, $500.

19. Sold to Solomon D. Bowman, Riverdale, Ill., 1 Steam Thresher and Engine complete, $1200. Received in payment, Cash, $500; his Note, dated to-day for 6 months, bearing 7% interest, secured by chattel mortgage upon the machine, for balance.

" 19. Received of J. L. Cashel, La Crosse, Wis., his Note for $300 at 13 days from March 10th, with 6% interest, endorsed by Fisher Bros., to apply on account. Have sent the same to the Central National Bank of La Crosse for collection.

" 19. Gave J. Quealy, E. K. Losier's Note and interest on same to date, in part payment for bill of iron Castings, delivered at factory. Face of Note, $500; interest on same for 27 days, $3. Total $503. Cash for balance, $116.80.

" 20. Received an order S. Bogardus, Springfield, Ill., for 3 Farm Rollers at $22, $66; 12 Double Cultivators at $40, $480.

" 20. Shipped to Warren & Co., Muscatine, Ia., the goods ordered on the 18th.

" 20. Paid Crerar, Adams & Co., Cash, $145, on account.

" 20. Received Cash for further payments on the Capital Stock of the Company, as per Installment List No. 1, $2500; also for interest on past due installment, $7.92. Total $2507.92.

" 21. Paid Cash for labor as per Time Book, $346.20.

" 21. Received an order from S. F. Lancey, St. Paul, for 50 Shovel Plows at $3, $150; 25 Double Corn Cultivators at $40, $1000.

" 21. Shipped the goods ordered on the 19th inst. by W. Hurd, Racine, Wis., this day per C. & N. W. R. R.

21. Received of S. Bogardus, Springfield, Ill., his Note for $450, dated March 20th, at 30 days, with 6% interest, endorsed by Smith Bros., to apply on account.

19—

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| March | 3 | J. Houston, Peoria, Ill. | | | | | |
| | | 36 Double Plows, | $8.00 | 288 | | | |
| | | 1 Roller, | 22.00 | 22 | | | |
| | | 72 Shovel Plows, | 3.00 | 216 | | 526 | |
| " | 3 | Shipped per C. & A. R. R. | | | | | |
| " | 3 | L. Cashel, La Crosse, Wis. | | | | | |
| | | 6 Single Cultivators, | $28.00 | | | 168 | |
| " | 3 | Shipped per C., & N. W. R. R. | | | | | |
| " | 4 | Warren & Co., Muscatine, Ia. | | | | | |
| | | 5 Double Corn Cultivators, | $40.00 | 200 | | | |
| | | 50 Double Plows, | 8.25 | 412 | 50 | 612 | 50 |
| " | 4 | Shipped per C., B. & Q. R. R. | | | | | |
| " | 6 | Excelsior Manufact'g Co., Omaha, Neb. | | | | | |
| | | 1 Steam Thresher and Engine, | | 1100 | | | |
| | | 2 Farm Rollers, | $20.00 | 40 | | | |
| | | 20 Double Corn Cultivators, | 35.00 | 700 | | | |
| | | 10 Corn Planters, | 35.00 | 350 | | | |
| | | 6 Corn Stalk Cutters, | 30.00 | 180 | | | |
| | | | | 2370 | | | |
| | | Less 20% | | 474 | | 1896 | |
| " | 6 | Shipped per U. P. R. R. | | | | | |
| " | 6 | F. Durell, Quincy, Ill. | | | | | |
| | | 50 Shovel Plows, | $3.00 | 150 | | | |
| | | 12 Double Corn Cultivators, | 40.00 | 480 | | | |
| | | | | 630 | | | |
| | | Less 20% | | 126 | | 504 | |
| " | 6 | Shipped per C., B. & Q. R. R. | | | | | |
| " | 9 | J. Houston, Peoria, Ill. | | | | | |
| | | 6 Corn Planters, | $38.00 | 228 | | | |
| | | 20 Double Corn Cultivators, | 40.00 | 800 | | 1028 | |
| " | 14 | Shipped per C., B. & Q. R. R. | | | | | |
| " | 10 | W. Hurd, Racine, Wis. | | | | | |
| | | 12 Corn Planters, | $38.00 | 456 | | | |
| | | 15 Shovel Plows, | 3.00 | 45 | | | |
| | | | | 501 | | | |
| | | Less 20% | | 100 | 20 | 400 | 80 |
| " | 10 | Shipped per C. & N. W. R. R. | | | | | |
| " | 10 | S. F. Lancey, St. Paul, Minn. | | | | | |
| | | 25 Corn Planters, | $38.00 | 950 | | | |
| | | 12 Double Harrows, | 6.50 | 78 | | | |
| | | | | 1028 | | | |
| | | Less 10% | | 102 | 80 | 925 | 20 |
| " | 10 | Shipped per C., M. & St. P. R. R. | | | | | |
| " | 11 | W. Hurd, Racine, Wis. | | | | | |
| | | 12 Corn Planters, | $38.00 | 456 | | | |
| | | 15 Shovel Plows, | 3.00 | 45 | | | |
| | | | | 501 | | | |
| | | Less 15% | | 75 | 15 | 425 | 85 |
| " | 11 | Shipped per C. & N. W. R. R. | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| March | 11 | S. F. Lancey, | St. Paul, Minn. | | |
| | | 25 Corn Planters, | $38.00 | 950 | |
| | | 12 Double Harrows, | 6.50 | 78 | 1028 |
| " | 11 | Shipped per C., M. & St. P. R. R. | | | |
| " | 12 | J. L. Cashel, | La Crosse, Wis. | | |
| | | 6 Corn Planters, | $38.00 | 228 | |
| | | 12 Double Harrows, | 6.50 | 78 | 306 |
| | | Shipped. | | | |
| " | 13 | S. Bogardus, | Springfield, Ill. | | |
| | | 36 Sod Plows | $14.00 | | 504 |

## TIME BOOK.

| Name. | Week ending Friday, March 6, 19— S | M | T | W | T | F | Extra Time. | Total Time. | Rate per Day. | Amount. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Amos, J. | 8 | 8 | 8 | 8 | 8 | 8 | | 6 ds. | 4 | 24 | |
| Andrews, F. | 8 | 8 | | 8 | 8 | 8 | | 5 " | 3 50 | 17 50 | |
| Brown, C. H. | 8 | 8 | 6 | 8 | 8 | 8 | 2 hrs. | 6 " | 3 50 | 21 | |
| Barnes, John | 8 | 4 | 8 | 8 | 8 | 8 | | 5½ " | 3 50 | 19 25 | |
| Burk, M. | 8 | 8 | 8 | | 8 | 8 | 4 " | 5½ " | 3 50 | 19 25 | |
| Cameron, Peter | 8 | 8 | 8 | 8 | 8 | 8 | | 6 " | 3 25 | 19 50 | |
| Cummings, L. | 8 | 6 | 8 | 8 | 8 | 8 | 4 " | 6¼ " | 3 25 | 20 31 | |
| Day, Theo. | 8 | 8 | 8 | 8 | 8 | 8 | | 6 " | 3 | 18 | |
| Doty, James | 8 | 6 | 6 | 8 | 4 | 6 | 2 " | 5 " | 3 | 15 | |
| Duncan, C. W. | 8 | 4 | 6 | | 8 | 4 | 2 " | 4 " | 3 50 | 14 | |
| Ford, John | 5 | 6 | 8 | 5 | 8 | 6 | 4 " | 5¼ " | 3 50 | 18 38 | |
| Frey, Thomas W. | 8 | | 8 | 8 | 8 | 8 | 4 " | 6½ " | 3 50 | 22 75 | |
| Floyd, Geo. | 6 | 8 | 8 | 8 | 8 | 8 | 2 " | 6 " | 4 | 24 | |
| Gould, J. | 5 | 6 | 4 | 8 | | | | 2⅞ " | 3 | 8 63 | Discharged. |
| Gould, Samuel | 8 | 8 | 8 | 8 | 8 | 8 | | 6 " | 3 50 | 21 | |
| Graham, Wm. | 8 | 5 | 8 | 8 | 8 | 8 | 3 " | 6 " | 4 | 24 | |
| | | | | | | | | | | 306 57 | |
| | Week ending Friday, March 13, 19— | | | | | | | | | | |
| Amos, J. | 8 | 8 | 8 | 8 | 8 | 8 | | 6 ds. | 4 | 24 | |
| Andrews, F. | 8 | 6 | 8 | 8 | 6 | 8 | 4 hrs. | 6 " | 3 50 | 21 | |
| Brown, C. H. | 8 | 8 | 8 | | 8 | 8 | | 5 " | 3 50 | 17 50 | |
| Barnes, John | 8 | 8 | 8 | 8 | 8 | 8 | | 6 " | 3 50 | 21 | |
| Burk, M. | 8 | 8 | 8 | 8 | 8 | 8 | 4 " | 6½ " | 3 50 | 22 75 | |
| Cameron, Peter | 8 | 8 | 8 | 8 | 8 | 8 | 2 " | 6¼ " | 3 25 | 20 31 | |
| Cummings, L | 8 | 6 | 8 | | 8 | 7 | 4 " | 5⅛ " | 3 25 | 16 66 | |
| Camp, M. L. | | 8 | 8 | 8 | 8 | 8 | | 5 " | 3 | 15 | |
| Day, Theo. | 8 | 8 | | | 8 | 8 | 2 " | 4¼ " | 3 | 12 75 | |
| Doty, James | 8 | 8 | 8 | 8 | 8 | 8 | 4 " | 6½ " | 3 | 19 50 | |
| Duncan, C. W. | 8 | 4 | 4 | 8 | 8 | 4 | | 4½ " | 3 50 | 15 75 | |
| Ford, John | 6 | 6 | 8 | 8 | 8 | 6 | 4 " | 5¾ " | 3 50 | 20 13 | |
| Frey, Thomas W. | 8 | 8 | 8 | 8 | 8 | 8 | 2 " | 6¼ " | 3 50 | 21 88 | |
| Floyd, Geo. | 8 | 6 | 8 | 8 | 8 | 4 | 4 " | 5¾ " | 4 | 23 | |
| Gould, Samuel | 8 | 8 | 8 | 8 | 8 | 8 | | 6 " | 3 50 | 21 | |
| Graham, Wm. | 8 | 6 | 8 | | 6 | 8 | 4 " | 5 " | 4 | 20 | |
| Wanzer, John | 8 | 8 | 8 | 8 | 8 | 8 | | 6 " | 3 25 | 19 50 | |
| | | | | | | | | | | 331 78 | |

| Cash. Dr. | Cash. Cr. | Date. 19— | | Ledger Accounts Dr. | Folio. | Ledger Accounts Cr. |
|---|---|---|---|---|---|---|
| | | Mar. 1 | A Stock Company has this day been formed under the name of THE EXCELSIOR MANUFACTURING CO., located in Chicago, with a Capital Stock of $100000, divided into 1000 shares of $100 each. The business of said Company is to manufacture Agricultural Implements. | | | |
| | | | Sunds. To Capital Stock — For original subscriptions to the capital stock of the aforesaid Company, as per subscription list. | | 212 | 100000 |
| | | | James W. Cameron | 20000 | 220 | |
| | | | Louis C. Davis | 20000 | 220 | |
| | | | C. H. Dexter | 15000 | 220 | |
| | | | Amos Williams | 10000 | 221 | |
| | | | J. W. Webster | 10000 | 221 | |
| | | | John A. Long | 10000 | 221 | |
| | | | Cyrus D. Holmes | 5000 | 221 | |
| | | | Alex. H. Smith | 5000 | 222 | |
| | | | J. C. Church | 5000 | 222 | |
| 37500 | | " 1 | Cash To Sunds. — For cash received this day from stockholders on account of the first call of 50% on the capital stock, as per Installment List No. 1. | | | |
| | | | " Jas. W. Cameron | | 220 | 10000 |
| | | | " Louis C. Davis | | 220 | 10000 |
| | | | " C. H. Dexter | | 220 | 7500 |
| | | | " Amos Williams | | 221 | 5000 |
| | | | " J. W. Webster | | 221 | 5000 |
| | | " 1 | Sunds. To Chambers & Mitchell — Have this day purchased of Chambers & Mitchell their entire plant, consisting of factory and machinery valued at $30000 | | 222 | 40150 |
| | | | Plant | | | |
| | | | Mdse. — Material on hand 4500 | | | |
| | | | Bills Rec. — Warren Brown's note at 4 mos. from Jan. 15th 1650 | | | |
| | | | Lyman Munger's note at 6 mos. from Jan. 6th for 3500 | | | |
| | | | E. K. Losier's note 3 mos. from Feb. 20th for 500 | | | |
| | 20000 | " 1 | Chambers & Mitchell To Cash — For payment on account of plant, material, etc., balance due in 1 year | 20000 | 224 | |
| | | " 2 | Mdse. To J. F. Wells — For 5000 ft oak lumber @ $40 200 | | 242 | 200 |
| | | " 3 | J. Houston To Mdse. Peoria, Ill. — For goods per order book | 526 | 232 | |
| | | " 3 | Mdse. To Crerar, Adams & Co. — For 4809 lbs. bar iron @ 8½c. 408 76 | | 222 | 408 76 |
| | 8 50 | " 3 | Expense To Cash — For 10 gals. machine oil @ 85c. 8 50 | | | |
| | | " 3 | Expense To Robert Law — For 10 tons coal @ $7.60 76 00 | | 232 | 76 |
| | | " 3 | J. L. Cashel To Mdse. La Crosse, Wis. — For goods per order book. | 168 | 222 | |
| | 65 60 | " 4 | Mdse. To Cash — J. Quealey for 1640 lbs. castings @ 4c. 65 60 | | | |
| | | " 4 | Mdse. To Mears & Bates — For 2000 ft. hickory lumber @ $35 700 00 | | 223 | 700 |
| | | " 4 | Warren & Co. To Mdse. Muscatine, Ia. — For goods per order book | 612 50 | 223 | |
| 37500 | 20074 10 | | *Footings,* | 121306 50 | | 179034 76 |
| 20074 10 | | | *Smaller sides deducted,* | | | 121306 50 |
| 18425 90 | | | *Balances carried forward,* | | | 57728 26 |

| Mdse. | | | | Bills Rec. | | Int. and Discount. | | Labor. | Expense | | Plant | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dr. | | Cr | | Dr | Cr. | Dr. | Cr. | Dr | Dr. | | Dr. | Cr. |
| 4500 | | | | 5650 | | | | | | | 30000 | |
| 204 | | | | | | | | | | | | |
| | | 526 | | | | | | | | | | |
| 408 | 76 | | | | | | | | | | | |
| | | | | | | | | | 8 | 50 | | |
| | | | | | | | | | 76 | | | |
| | | 168 | | | | | | | | | | |
| 65 | 69 | | | | | | | | | | | |
| 700 | | | | | | | | | | | | |
| | | 612 | 50 | | | | | | | | | |
| 5874 | 36 | 1306 | 50 | 5650 | | | | | 84 | 50 | 30000 | |
| 1306 | 56 | | | | | | | | | | | |
| 4567 | 86 | | | 5650 | | | | | 84 | 50 | 30000 | |

| Cash Dr. | Cash Cr. | Date 19— | | Ledger Accounts. Dr. | Folio. | Ledger Accounts. Cr |
|---|---|---|---|---|---|---|
| 17425 90 | | | *Balances brought forward,* | | | 57728 86 |
| | 30 | Mar. 5 | Mdse. To Cash For 4 kegs 8d nails @ $4.25 17 00; For 2 kegs clinch nails @ $6.50 13 00 | | | |
| | | " 6 | Excelsior Mfg. Co. Omaha, Neb. To Mdse. For goods per order book | 1896 | 223 | |
| | | " 6 | Mdse. To R. Phillips For 1200 ft. ash lumber clear @ $40 $480 00 | | 223 | 480 |
| | | " 6 | F. Durell, Quincy Ill. To Mdse. For goods per order book | 504 | 223 | |
| | 306 57 | " 7 | Labor To Cash For week's pay roll as per time book | | | |
| | | " 10 | Expense To Robert Law For 19 tons coal @ $5 95 00 | | 222 | 95 |
| | | " 10 | Mdse. To J. F. Wells For 25000 ft. oak lumber at $40 1000 00 | | 222 | 1000 |
| | | " 10 | W. Hurd Racine, Wis. To Mdse. For goods per order book | 400 80 | 223 | |
| | | " 10 | S. F. Lancey St. Paul, Minn. To Mdse. For goods per order book | 925 20 | 223 | |
| | 12460 | " 10 | Plant To Cash For Corliss engine and additional machinery | | | |
| 7511 25 | | " 10 | Cash To Sundries; " John A. Long; " Cyrus D. Holmes; " Interest For cash received from stockholders on account of first call of 50% on the capital stock and interest charged for deferred payment | | 231; 221 | 5000; 2500 |
| | | " 11 | Expense To Robert Law For 19 tons coal @ $5 95 00 | | 222 | 95 |
| | | " 11 | Mdse. To J. F. Wells For 25000 ft. oak lumber at $40 1000 00 | | 222 | 1000 |
| | | " 11 | W. Hurd, Racine, Wis. To Mdse. For goods per order book | 425 55 | 223 | |
| | | " 11 | S. F. Lancey, St. Paul, Minn. To Mdse. For goods per order book | 1098 | 223 | |
| | 20 | " 11 | Robert Law To Cash Paid him on account | 20 | 222 | |
| | 275 | " 12 | J. F. Wells To Cash Paid him on account | 275 | 222 | |
| | 22 25 | " 13 | Mdse. To Cash Bishop & Warner For 2 kegs of 6d nails @ $4.50 9 00; For 2 kegs 8d nails @ $4.25 8 50; For 1 keg 10d nails @ 4 75 | | | |
| | | " 14 | Bills Rec. Peoria, Ill. To J. Houston, For note at 10 days received on account | | 222 | 500 |
| | | " 14 | J. Houston, Peoria, Ill. To Mdse. For goods per order book | 1028 | 223 | |
| | 178 75 | " 14 | Mdse. To Cash J. Allison for paints, oils and varnish | | | |
| | 331 73 | " 14 | Labor To Cash For week's pay roll as per time book. | | | |
| 34937 15 | 13624 30 | | *Footings,* | 6502 85 | | 68398 26 |
| 13624 30 | | | *Smaller sides deducted.* | | | 6502 85 |
| 11312 85 | | | *Balances carried forward,* | | | 61896 41 |

| Mdse. Dr. | | Mdse. Cr. | | Bills Rec. Dr. | Bills Rec. Cr. | Int. and Discount. Dr. | Int. and Discount. Cr. | Labor. Dr. | | Expense Dr. | | Plant. Dr. | Plant. Cr. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1567 | 86 | | | 5650 | | | | | | 84 | 50 | 30000 | |
| 30 | | | | | | | | | | | | | |
| | | 1896 | | | | | | | | | | | |
| 480 | | | | | | | | | | | | | |
| | | 504 | | | | | | | | | | | |
| | | | | | | | | 306 | 57 | | | | |
| | | | | | | | | | | 95 | | | |
| 1000 | | | | | | | | | | | | | |
| | | 400 | 80 | | | | | | | | | | |
| | | 925 | 20 | | | | | | | | | | |
| | | | | | | | | | | | | 12460 | |
| | | | | | | | 11 | 25 | | | | | |
| | | | | | | | | | | 95 | | | |
| 1000 | | | | | | | | | | | | | |
| | | 425 | 85 | | | | | | | | | | |
| | | 1028 | | | | | | | | | | | |
| 22 | 25 | | | | | | | | | | | | |
| | | | | 500 | | | | | | | | | |
| | | 1028 | | | | | | | | | | | |
| 178 | 75 | | | | | | | | | | | | |
| | | | | | | | | 331 | 73 | | | | |
| 7278 | 86 | 6207 | 85 | 6150 | | | 11 | 25 | 638 | 30 | 274 | 50 | 42460 |
| 6207 | 85 | | | | | | | | | | | | |
| 1071 | 01 | | | 6150 | | | 11 | 25 | 638 | 30 | 274 | 50 | 42460 |

| No. | Name. | Address. | Date. | Time. | Maturity. | Principal. |
|---|---|---|---|---|---|---|
| 1 | Warren Brown | City | 19— Jan. 15 | 4 mo. | 19— May 18 | 1650 |
| 2 | Lyman Munger | " | " 6 | 6 " | July 9 | 3500 |
| 3 | E. K. Losier | " | Feb. 20 | 3 " | May 23 | 500 |
| 4 | J. Houston | Peoria, Ill. | Mar. 13 | 10 days. | Mar. 26 | 500 |

## GENERAL LEDGER.

### CAPITAL STOCK.

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Mar. | 1 | By Sunds. | 216 | 100000 |

### JAMES W. CAMERON, Chicago.

| Mar. | 1 | To Capital Stock | 216 | 20000 | Mar. | 1 | By Cash | 216 | 10000 |
|---|---|---|---|---|---|---|---|---|---|

### LOUIS C. DAVIS, Chicago,

| Mar. | 1 | To Capital Stock | 216 | 20000 | Mar. | 1 | By Cash | 216 | 10000 |
|---|---|---|---|---|---|---|---|---|---|

### C. H. DEXTER, Milwaukee, Wis.

| Mar. | 1 | To Capital Stock | 216 | 15000 | Mar. | 1 | By Cash | 216 | 7500 |
|---|---|---|---|---|---|---|---|---|---|

| Interest from | | Rate. | Security. | When sent for Collection. | | To Whom Sent. | Address. | Remarks |
|---|---|---|---|---|---|---|---|---|
| 19— | | | | 19— | | | | |
| Jan. | 15 | 6% | Chambers & Mitchell | | | | | |
| " | 6 | 7% | " " | | | | | |
| Feb. | 20 | 8% | " " | | | | | |
| Mar. | 13 | 8% | M. R. Johnson | Mar. | 14 | First Nat'l Bank, | Peoria, Ill. | |

## GENERAL LEDGER.

### AMOS WILLIAMS, Chicago.

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To Capital Stock | 216 | 10000 | Mar. | 1 | By Cash | 216 | 5000 |

### J. W. WEBSTER, Chicago.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To Capital Stock | 216 | 10000 | Mar. | 1 | By Cash | 216 | 5000 |

### JOHN A. LONG, Cleveland.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To Capital Stock | 216 | 10000 | Mar. | 10 | By Cash | 218 | 5000 |

### CYRUS D. HOLMES, Chicago.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To Capital Stock | 216 | 5000 | Mar. | 10 | By Cash | 218 | 2500 |

### ALEX. H. SMITH, Detroit.

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To Capital Stock | 216 | 5000 | | | | | |

### J. C. CHURCH, Omaha.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To Capital Stock | 216 | 5000 | | | | | |

### CHAMBERS & MITCHELL, City.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To Cash | 216 | 20000 | Mar. | 1 | By Sunds. | 216 | 40150 |

### J. F. WELLS.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 12 | To Cash | 218 | 275 | Mar. | 2 | By Mdse. | 216 | 200 |
| | | | | | " | 10 | " " | 218 | 1000 |
| | | | | | " | 11 | " " | 218 | 1000 |

### J. HOUSTON, Peoria, Ill.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 3 | To Mdse. | 216 | 526 | Mar. | 14 | By Bills Rec. | 218 | 500 |
| " | 14 | " " | 218 | 1028 | | | | | |

### CRERAR, ADAMS & CO., City.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Mar. | 3 | By Mdse. | 216 | 408 76 |

### ROBERT LAW, City.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 11 | To Cash | 218 | 20 | Mar. | 3 | By Expense | 216 | 76 |
| | | | | | " | 10 | " " | 218 | 95 |
| | | | | | " | 11 | " " | 218 | 95 |

### J. L. CASHEL, La Crosse, Wis.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 8 | To Mdse. | 216 | 168 | | | | | |

MEARS & BATES, CITY.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Mar. | 4 | By Mdse. | 216 | | 700 |

WARREN & CO., MUSCATINE, IOWA.

| Mar. | 4 | To Mdse. | 216 | 612 | 50 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

EXCELSIOR MANUFACTURING CO., OMAHA.

| Mar. | 6 | To Mdse. | 218 | 1896 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

R. PHILLIPS.

| | | | | | | Mar. | 6 | By Mdse. | 218 | | 480 |
|---|---|---|---|---|---|---|---|---|---|---|---|

F. DURELL, QUINCY, ILL.

| Mar. | 10 | To Mdse. | 218 | 504 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

W. HURD, RACINE, WIS.

| Mar. | 10 | To Mdse. | 218 | 480 | |
|---|---|---|---|---|---|
| " | 11 | " " | 218 | 425 | 85 |

S. F. LANCEY. ST. PAUL, MINN.

| Mar. | 10 | To Mdse. | 218 | 925 | 20 |
|---|---|---|---|---|---|
| " | 11 | " " | 218 | 1028 | |

## JAMES W. CAMERON, Chicago.

| 19— | | | Folio* | Shares. | 19— | | | Folio† | Shares. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Mar | 1 | By 1st Installment | | 200 10000 |
| | | | | | Apr | 1 | " 2nd " | | 10000 |

## LOUIS C. DAVIS, Chicago.

| 19— | | | Folio* | Shares. | 19— | | | Folio† | Shares. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Mar | 1 | By 1st Installment | | 200 10000 |
| | | | | | Apr | 1 | " 2nd " | | 10000 |

## C. H. DEXTER, Milwaukee.

| 19— | | | Folio* | Shares. | 19— | | | Folio† | Shares. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Mar | 1 | By 1st Installment | | 150 7500 |
| | | | | | Apr | 1 | " 2nd " | | 7500 |

## AMOS WILLIAMS, Chicago.

| 19— | | | Folio* | Shares. | 19— | | | Folio† | Shares. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Mar | 1 | By 1st Installment | | 100 5000 |
| | | | | | Apr | 1 | " 2nd " | | 5000 |

## J. W. WEBSTER, Chicago.

| 19— | | | Folio* | Shares. | | 19— | | | Folio† | Shares. | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Apr | 3 | To Robt. D. Bowen | | 25 | 2500 | Mar | 1 | By 1st Installment | | 100 | 5000 |
| " | 30 | " Balance | | | 7500 | Apr | 1 | " 2nd " | | | 5000 |
| | | | | | 10000 | | | | | | 10000 |
| | | | | | | May | 1 | By Balance | | | 7500 |

## JOHN A. LONG, Cleveland.

| 19— | | | Folio* | Shares. | | 19— | | | Folio† | Shares. | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Apr | 21 | To Wm. C. Long | | 100 | 2500 | Mar | 10 | By 1st Installment | | 100 | 5000 |
| " | 30 | " Balance | | | 7500 | Apr | 1 | " 2nd " | | | 5000 |
| | | | | | 10000 | | | | | | 10000 |
| | | | | | | May | 1 | By Balance | | | 7500 |

* This column is for the pages of the Transfer Book from which the entry is posted.

† " " " " Cash Book or Transfer Book from which the entry is posted.

CYRUS D. HOLMES, CHICAGO.

| 19— | Folio* | Shares. | 19— | Folio† | Shares. |
|---|---|---|---|---|---|
| | | | Mar 10 By 1st Installment | 50 | 2500 |
| | | | Apr 7 " 2nd " | | 2500 |

ALEX H. SMITH, DETROIT.

| | | | | | |
|---|---|---|---|---|---|
| | | | Mar 20 By 1st Installment | 50 | 2500 |
| | | | Apr 8 " 2nd " | | 2500 |

J. C. CHURCH, OMAHA.

| | | | | | |
|---|---|---|---|---|---|
| | | | Mar 26 By 1st Installment | 50 | 2500 |
| | | | Apr 16 " 2nd " | | 2500 |

ROBERT D. BOWEN, CHICAGO.

| | | | | | |
|---|---|---|---|---|---|
| | | | Apr 3 By J. W. Webster | 25 | 2500 |

WILLIAM C. LONG, CLEVELAND.

| | | | | | |
|---|---|---|---|---|---|
| | | | Apr 21 By John A. Long | 25 | 2500 |

* This column is for the pages of the Transfer Book from which the entry is posted.

† " " " " Cash Book or Transfer Book from which the entry is posted.

19—

March 21. Received from J. Houston, Peoria, Ill., his Note at 33 days from March 15th, with 8% interest, endorsed by J. G. Cross, for $1000, to apply on account. Have forwarded same to Farmers National Bank of Peoria for collection.

" 23. Shipped per C. & A. R. R. to S. Bogardus, Springfield, Ill., the goods ordered on the 20th.

" 23. Paid Mears & Bates, on account, Cash, $150.

" 24. Received an order from J. L. Cashel, La Crosse, Wis., for 6 Corn Planters at $38, $228; 3 Farm Rollers at $22, $66; shipped by C. & N. W. R. R. this day and billed at 10% off.

" 24. Received from Central National Bank, La Crosse, New York Exchange in payment of proceeds of J. L. Cashel's Note. Face of Note, $300; Interest on same to maturity, **¢; Collection Fee, 50¢.

" 25. Received of F. Durell, Quincy, Ill., his Note, dated the 23d inst., at 33 days, drawing 8% interest, for $800, endorsed by Henry Ricker, to apply on account.

" 25. Goods ordered by S. F. Lancey on the 21st inst., shipped by C., M. & St. P. R. R. this day.

" 25. Received an order from S. Bogardus, Springfield, for 3 Double Corn Cultivators at $45, $135; 6 Single Cultivators at $30, $180. Less 10% and 5%. Shipped by Illinois Central R. R. this day.

" 26. At a meeting of the Board of Directors it has been decided to issue another call of $50% on the Capital Stock of the Company, to be due and payable on April 1st.

Prepare Installment List No. 2.

" 26. The Board of Directors have voted to allow the President a salary of $150 per month, the Vice-President and the Secretary and Treasurer each $100 per month.

No entry.

" 26. Received Cash from Stockholders in full for installment of 50% on the Capital Stock of the Company, $2500; also for interest on deferred payments, $10.42, as per Installment List No. 1.

" 27. Received from First National Bank, Peoria, Ill., Chicago Exchange in payment for proceeds of J. Houston's Note, due on the 26th. Face of Note $500; Interest to maturity, $*.**; Collection Fee, 50¢.

" 27. Paid R. Phillips, on account, S. Bogardus' Note of the 20th inst. for $450, and Interest to date, *3¢.

" 27. Received of S. F. Lancey, St. Paul, Minn., per U. S. Express, Cash on account, $1025. Paid Express Charges, $1.25.

" 28. Paid Cash for labor as per Time Book, $382.76.

" 28. Received from our Branch House in Omaha, an order for 2 Steam Threshers at $1100, $2200; 24 Corn Planters at $39, $936; 40 Double Harrows at $7, $280; 25 Shovel Plows at $3, $75; 1 Anderson Straw Stacker.

" 28. Paid A. M. Hartigan for repairing Steaming Apparatus, Cash, $125.

Debit Expense.

" 30. Paid Cash to W. M. McGregor & Co., for new Steam Pump for use in boiler room, $475.

" 31. Bought of Pitts Manufacturing Co., 1 Anderson Straw Stacker for net Cash, $80.

" 31. Shipped to Branch House the goods ordered on the 28th. Billed the Straw Stacker at $100, and gave 10% off the entire order.

" 31. Received of W. Hurd, Racine, Wis., his Note for $500 at 60 days from March 25th, 8% interest, endorsed by J. I. Case, in part payment of his account.

19—

March 31. Received of Union National Bank, St. Paul, Minn., New York Exchange in payment for proceeds of S. F. Lancey's Note, due there the 29th inst. Face of Note, $1000; Interest on same to maturity, $*.**. Collection Fees, $1.

" 31. Received of Warren & Co., Muscatine, Ia., on account, Chicago Exchange for $840.

" 31. Received from Branch House a statement showing expenses for the month to have been $112.60.

Debit Expense and credit the Branch House.

" 31. Paid Cash to the officers for the month's salaries, viz.: James W. Cameron, $***; Louis C. Davis, $***; Amos Williams, $***. Balance of Cash on hand, $18518.69.

April 1. The second call upon the Capital Stock of the Company has been responded to by the following stockholders, who have paid up their stock in full: Amos Williams, J. W. Webster, James W. Cameron, C. H. Dexter, Louis C. Davis, and John A. Long.

" 1. Paid Waring Bros., contractors, Cash, for building a new and extensive Dry Kiln, just completed, $7465.25.

" 2. Received from Branch House, on account, Cash, $500.

" 2. Sold the old Steam Engine recently removed from our factory, to Hubbard Bros., $500, to be taken out in Paints, Oils and Varnish.

" 2. Received an order from Burton & Gardner, Bloomington, Ill., for 12 Shovel Plows at $3; 12 Double Corn Cultivators at $40; shipped this day by C. & A. R. R. Have drawn on them at 5 days' sight for amount of bill and forwarded Draft to the Merchants National Bank of Bloomington for collection.

" 3. Paid J. F. Wells, on account, Cash, $1000.

" 3. Received an order from our Branch House for 24 Double Plows at $8; 40 Shovel Plows at $3; 20 Corn Planters at $38; 2 Brown's Hay Rakes.

" 3. J. W. Webster has this day sold to Robert D. Bowen, of Chicago, 25 shares of his stock in this Company.

" 4. Received an order from J. Houston, Peoria, Ill., for 15 Shovel Plows at $3; 4 Corn Planters at $38; 10 Double Harrows at $6.50. Less 10%. Shipped this day per C., B. & Q. R. R.

" 4. Paid Chambers & Mitchell, on account, Cash, $5150.

" 4. Received from Hubbard Bros., an invoice of Oils, Paints and Varnish, $147.80.

" 4. Paid Cash for labor as per Time Book, $418.65.

" 6. Bought of Robert Law, on account, 43 tons Coal at $6.

" 6. Paid John Davis & Co., Cash for repairs on Boilers, $80.

" 6. Paid Cash to H. Hansen & Co., for putting in new Counter-shaft, $42.30.

Debit Plant.

" 7. Discounted at Union Trust Co., W. Hurd's Note, received on the 31st ult. Face of Note, $500; Interest to maturity, $*; Discount off at 8%, $*.*3; Collection Fee, 50¢. Proceeds placed to our credit.

" 7. Received Cash of Cyrus D. Holmes for the installment called upon his stock, $****; also for Interest at 6% on same for time overdue, $*.**.

" 8. Received an order from Warren & Co., Muscatine, Ia., for 24 Double Harrows at $6.50, 50 Shovel Plows at $3: shipped same this day per C., B. & Q. R. R. and billed them 5% off.

" 8. Received of Champion Rake Co., 2 Brown's Hay Rakes at $75. Less 20%. Paid Cash for same.

19—

April 8. Shipped per U. P. R. R. to our Branch House, the goods ordered on the 3rd. Billed the 2 Brown's Hay Rakes at $75, and gave a discount of 10% from the entire bill.

" 8. Shipped per I. C. R. R. and consigned to Amos Douglas & Co., St. Louis, for sale on our account and risk, 75 Shovel Plows at $3; 12 Corn Planters at $38; 10 Double Harrows at $6.50; 10 Sod Plows at $14; 2 Farm Rollers at $20.

" 8. Received Cash of Alex. H. Smith for the second installment, due April 1st, on his stock, $*****; also Interest on same for time overdue, $*.**.

" 9. Bought of Mears & Bates, on account, 10 M ft. Clear Ceiling at $32.

" 10. Bought of Western Nail Co., for Cash, an invoice of Nails, Brads and Screws, $63.85.

" 10. Received of Hubbard Bros., on account, invoice of Paints, Varnish, Resin and Putty amounting to $96.35.

" 11. Secured additional Insurance on Factory to the amount of $30000. Paid Premium in Cash at 2½%.

" 11. Sold to Fraser & Chalmers, for Cash, a quantity of old Castings, 16284 ♯, at 3¢.

" 11. Paid Cash for Labor as per Time Book, $416.20.

" 13. Received of J. L. Cashel, La Crosse, Wis., an order for 36 Double Plows at $8; 1 Farm Roller at $22; 72 Shovel Plows at $3. Shipped same by C. & N. W. R. R. this day. Billed at 10% off.

" 13. Received returns from our Draft at 5 days' sight, drawn on the 2nd inst. on Burton & Gardner, Bloomington, and sent through the bank for collection. Collection Fees deducted, $1.

" 13. Bought of R. Phillips, on account, invoice of Hard Lumber, $250.

" 14. Received from F. Durell, Quincy, Ill., order for 8 Corn Planters at $38; 20 Double Harrows at $6.50; 40 Shovel Plows at $3. Shipped by C., B. & Q. R. R. this day, and billed at 12½% off.

" 14. Discounted at Union Trust Co., W. Brown's Note, due May 18th, received of Chambers & Mitchell. Face of Note, $****; Interest to maturity, $**.*3; Discount off at 8%, $**.**. Proceeds to our credit.

" 15. Received of S. Bogardus, Springfield, Ill., Cash to apply on account, $250.

" 15. Received of S. Bogardus, Springfield, Ill., order for 6 Single Cultivators at $28; 10 Double Plows at $8.25. Shipped by I. C. R. R. and billed at 5% off.

" 16. Received of J. C. Church, Cash for the second installment on his stock, due April 1st, $****; also for Interest on same since due, $*.**.

" 16. Paid Cash to Hugh Bradshaw, for additional Tanks and Vats in Paint Shop $116.

" 16. Paid J. Quealy Cash for 4964 ♯ Castings at 4¢.

" 16. Bought of Mears & Bates, on account, 8 M ft. Lumber at $16.

" 17. Bought of Bishop & Warner, for Cash, 2 kegs 6d Nails at $3.25; 6 kegs Clinch Nails at $4.50.

" 17. Received of S. F. Lancey, St. Paul, Minn., his note at 30 days from the 15th inst. for $600, endorsed by J. G. Davis, drawing 7% interest, to apply on account.

" 17. Have forwarded F. Durell's Note, received on the 25th ult., for $800, to C. H. Bull & Co., Quincy, Ill., for collection.

" 18. Received of Branch House, Cash on account, $800.

" 18. Bought of Crerar, Adams & Co., on account, invoice of 4865 ♯ Cast Steel at 9¢; also 4168 ♯ Bar Iron at 7¢.

" 18. Paid Cash for Postage Stamps and sundry office expenses, $13.80.

19—

April 18. Paid Cash for labor as per Time Book, $410.20.

" 20. Received from J. Houston, Peoria, Ill., order for 40 shovel plows at $3; 25 Double Corn Cultivators at $40.

" 20. Received of A. J. Reed & Son, Indianapolis, Ind., order for 2 Farm Rollers at $22; 12 Shovel Plows at $3; 30 Double Plows at $8. Cash accompanying order, $200. Shipped by Wabash R. R. this day.

" 20. Paid Gardner & Co., Cash, for new Governor to Engine, $60.

" 20. Paid Cash for 20 gals. Machine Oil, bought of Standard Oil Co. at 75¢.

" 20. Paid Cash for repairs in Blacksmith Shop, $16.

" 20. Paid Cash to W. E. Johnson & Co., for Moulding Sand, $32.

" 21. John A. Long has this day transferred to his son, William C., of Cleveland, 25 shares of his stock in this Company.

" 21. Bought of Robert Law, on account, 25 tons Coal at $5.

" 21. Received of Warren & Co., Muscatine, Ia., order for 6 Single Cultivators at $28; 5 Double Corn Cultivators at $40. Less 10% and 5% off. Shipped this day per C., B. & Q. R. R.

" 21. Shipped by U. P. R. R. to Branch House, Omaha, per order, 2 Farm Rollers at $22; 40 Shovel Plows at $3; 20 Single Cultivators at $28. Less 20%.

" 22. Received of Amos Douglas & Co., St. Louis, an Account Sales of our shipment to them of the 8th inst. Net proceeds they owe us on account, $1106.20.

" 22. Received of J. L. Cashel, La Crosse, Wis., his Note for $300, dated the 20th inst., at 30 days, endorsed by Q. C. Ward, bearing 8% interest to apply on account.

" 22. Received of Farmers National Bank, Peoria, Ill., New York Exchange in settlement of J. Houston's Note and interest. Face of Note, $1000; Interest on same to maturity, $*.**; Collection Fee, $1.

" 23. Received of S. Bogardus, Springfield, Ill., order for 6 Corn Planters at $38; 3 Farm Rollers at $22.

" 23. Paid J. Quealy, Cash, for 3684 ♯ Castings at 8½¢.

" 24. Shipped to J. Houston, Peoria, Ill., by C., B. & Q. R. R., the goods ordered on the 20th inst., at 10% and 2% off.

" 24. Alex. H. Smith has this day transferred to I. M. Martin, 10 shares of his stock in this Company.

" 25. Received Cash of our Branch House, $400.

" 25. Paid Cash for labor as per Time Book, $420.45.

" 27. Received per Chicago Exchange, returns from C. H. Bull & Co., Quincy, Ill., for F Durell's Note, due on the 25th. Face of Note, $800; Interest on same to maturity, $*.**; Collection Fee, $1.

" 27. Shipped per C. & A. R. R. to S. Bogardus, Springfield, Ill., the goods ordered on the 23rd inst., at 10% and 3% off.

" 28. Discharged, for carelessness, C. W. Duncan. Paid him for work done this week, 1¼ days at $3.50.

" 28. Received from S. F. Lancey, St. Paul, Minn., order for 12 Corn Planters at $38; 15 Shovel Plows at $3; 2 Farm Rollers at $40.

" 29. Bought of R. Phillips, on account, 3500 ft. Ash Lumber at $27 per thousand.

" 29. Bought of Hubbard Bros., on account, 2 brls. Benzine at $17; 1 brl. Turpentine, $35.

" 30. Received from Branch House, a statement of the month's expenses, $219.46.

19—
April 30. Paid Cash to the officers of the Company for month's services, viz.: James W. Cameron, $***; Louis C. Davis, $***; Amos Williams, $***.

" 30. At a recent meeting of the Board of Directors it was decided to close the books on this date and declare a dividend. Having "Taken Stock," we have the following

INVENTORY OF PROPERTY ON HAND APRIL 30, 19—.

| | |
|---|---|
| Plant, valued at | $48000 |
| Merchandise, estimated worth | 3450 |

## INSTRUCTIONS FOR CLOSING.

Upon the Journal make an entry for the inventory of the Plant as follows:

*Plant Account, Cr. for Inventory on hand.*

After entering the amount to the credit of Plant account, place the same to the Dr. of *Ledger accounts*, and √ the entry. Then make an entry to close Plant account into Profit and Loss account, as follows:

*Profit and Loss, to Plant Account, to close,*

and post the entry to the Ledger to the Dr. of Profit and Loss account.

These entries may be made upon the Journal in red ink, if desired.

Next make an entry to close Labor account into Merchandise account, as follows:

*Mdse., to Labor Account, to close.*

Labor account is closed into Merchandise because it enters into the cost of the Merchandise directly.

Proceed to close Merchandise account in the same manner as Plant account, by entering first the inventory, and then carrying the difference between the two sides into Profit and Loss account.

Close Interest and Discount into Profit and Loss account by means of a Journal entry as follows:

*Interest and Discount, to Profit and Loss, to close.*

Close Expense into Profit and Loss in the same manner as Interest and Discount.

The Journal is now closed. Bring down its balances of Cash, Ledger accounts, Bills Receivable, and the Inventories of Merchandise and Plant accounts, and it is ready for a continuation of the business.

Proceed to the Ledger, and close into Profit and Loss in the usual manner, with red ink, Insurance, Collection Fees and Shipment Amos Douglas & Co. accounts.

Your Profit and Loss account wil. now show a net gain of $8155.30. The Board of Directors decide to declare a 6% dividend, which, on the Capital Stock of $100000, will consume $6000 of the profits, and the remainder is to be carried to a "Reserve Fund" account.

Open an account with Dividend No. 1, and another with Reserve Fund. On the Dr. side of Profit and Loss account, in red ink, enter, *To Dividend No.* 1, $6000, and *To Reserve Fund*, $2155.30. Carry these entries to the credit side of their respective accounts. The Profit and Loss account now balances and may be ruled up. As the dividend is paid to the stockholders, Dividend account will be charged and Cash credited.

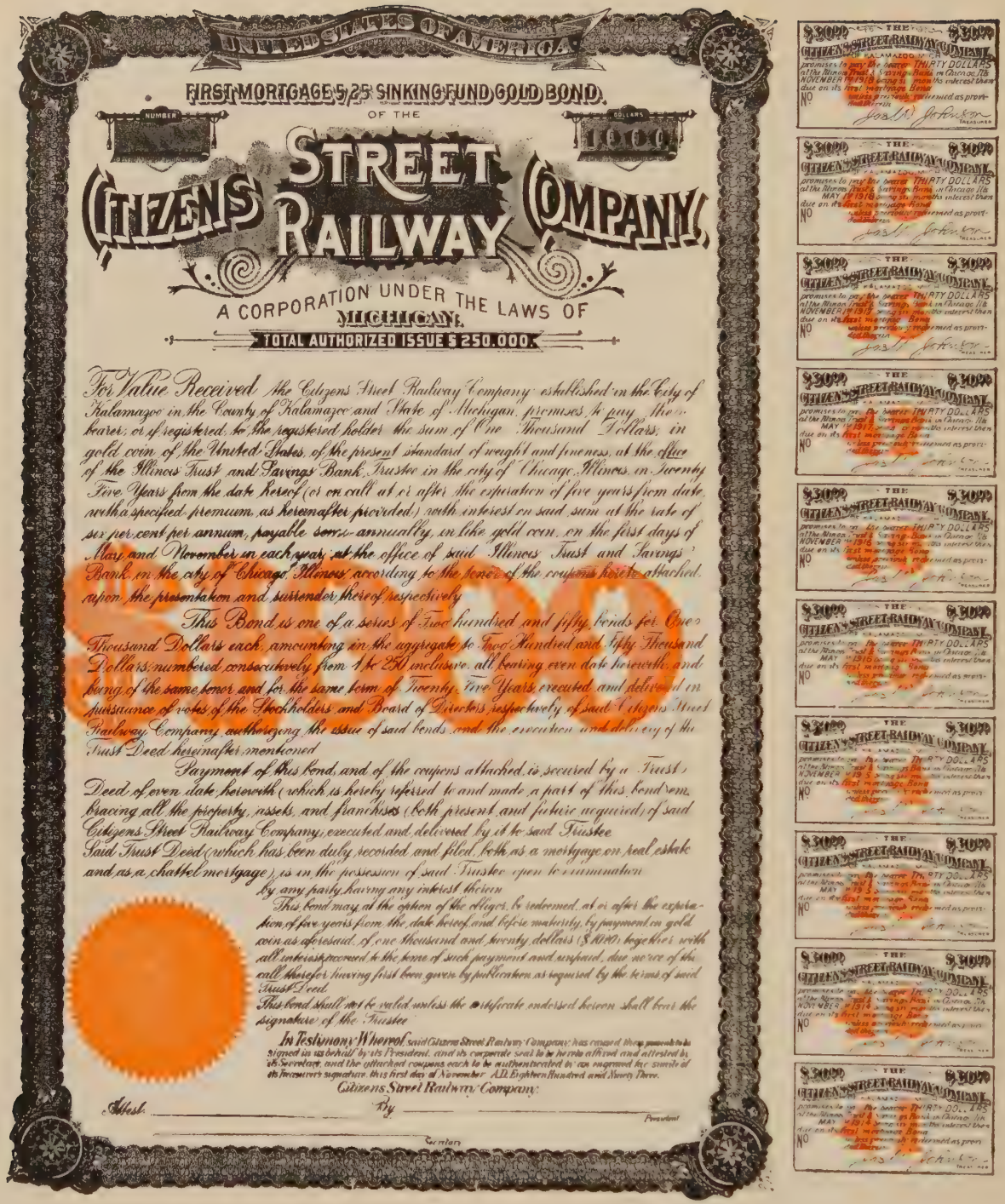
Having closed the books of the Company, your Balance Sheet should exhibit the following

## RESULTS.

| | |
|---|---|
| Cash on hand, | $58177.78 |
| Bills Receivable owing to the Company, | 5100. |
| Personal Accounts " " " | 6895.22 |
| Personal Accounts we owe, | 18219.34 |
| Branch House stands Dr., | 4751.64 |
| Dividend No. 1 unpaid, | 6000. |
| Reserve Fund, Cr., | 2155.30 |
| Capital Stock, | 100000 |

## QUESTIONS FOR REVIEW.

1. What is the distinguishing feature in a manufacturing business? 2. What system of forms is best adapted to the manufacturer's use? 3. What is the Order Book used for? 4. When are orders entered upon this book? 5. When is the price and amounts extended? 6. Which is the most important of the manufacturer's books? 7. What are the advantages of this Journal? 8. What accounts are carried to the Ledger? 9. How do you obtain a Trial Balance? 10. Describe the Time Book and explain its use and object. 11. To what time is it desirable to pay the hands? 12. What account is charged with money paid for wages? 13. What is "Plant"? 14. If Notes are payable abroad, what form of Bills Receivable Book is desirable? 15. What items are charged to Labor account? 16. What items are charged to Mdse. account? 17. What items are charged to Expense account in this set? 18. How do you keep an account with a branch house? 19. When a remittance is received from the branch house what entry should be made? 20. If the branch house should send in a report of its expenses for a period of time, what entry should be made? 21. At the end of the year how would you close or balance the branch house account? 22. How is labor account closed at the end of the year? 23 Why do you close labor account into Mdse account? 24. How is Merchandise account closed, having no Merchandise account in the Ledger? 25. How is Plant account closed? 26. Into what accounts do you close Profit and Loss? 27. What is Reserve Fund account used for or closed into? 28. When will Dividend account balance?



UNITED STATES OF AMERICA.

FIRST MORTGAGE 5 25 SINKING FUND GOLD BOND.

OF THE

NUMBER

DOLLARS 1000

# CITIZENS STREET RAILWAY COMPANY

A CORPORATION UNDER THE LAWS OF MICHIGAN.

TOTAL AUTHORIZED ISSUE $250,000.

For Value Received the Citizens Street Railway Company established in the City of Kalamazoo in the County of Kalamazoo and State of Michigan, promises to pay the bearer, or if registered, to the registered holder the sum of One Thousand Dollars, in gold coin of the United States, of the present standard of weight and fineness, at the office of the Illinois Trust and Savings Bank, Trustee in the city of Chicago, Illinois, on Twenty Five Years from the date hereof (or on call at or after the expiration of five years from date, with a specified premium as hereinafter provided) with interest on said sum at the rate of six per cent per annum, payable semi-annually, in like gold coin, on the first days of May and November in each year, at the office of said Illinois Trust and Savings Bank, in the city of Chicago, Illinois, according to the tenor of the coupons hereto attached, upon the presentation and surrender thereof respectively.

This Bond is one of a series of Two hundred and fifty bonds for One Thousand Dollars each, amounting in the aggregate to Two Hundred and Fifty Thousand Dollars, numbered consecutively from 1 to 250 inclusive, all bearing even date herewith, and being of the same tenor and for the same term of Twenty Five Years, executed and delivered in pursuance of votes of the Stockholders and Board of Directors respectively of said Citizens Street Railway Company, authorizing the issue of said bonds and the execution and delivery of the Trust Deed hereinafter mentioned.

Payment of this bond, and of the coupons attached, is secured by a Trust Deed of even date herewith (which is hereby referred to and made a part of this bond) embracing all the property, assets, and franchises (both present and future acquired) of said Citizens Street Railway Company, executed and delivered by it to said Trustee. Said Trust Deed (which has been duly recorded and filed both as a mortgage on real estate and as a chattel mortgage) is in the possession of said Trustee open to examination by any party having any interest therein.

This bond may at the option of the obligor be redeemed at or after the expiration of five years from the date hereof and before maturity, by payment in gold coin as aforesaid, of One thousand and twenty dollars ($1020) together with all interest accrued to the time of such payment and unpaid, due notice of the call therefor having first been given by publication as required by the terms of said Trust Deed.

This bond shall not be valid unless the certificate endorsed hereon shall bear the signature of the Trustee.

In Testimony Whereof, said Citizens Street Railway Company has caused these presents to be signed on its behalf by its President, and its corporate seal to be hereto affixed and attested by its Secretary, and the attached coupons each to be authenticated by the engraved fac-simile of its Treasurer's signature, this first day of November A.D. Eighteen Hundred and Ninety Three.

Citizens Street Railway Company.

Attest _____ By _____

Secretary. President.



A bond is the promissory note of a corporation, promising to pay a stated sum of money to the holder at a specified time. The interest upon bonds is usually payable quarterly or semi-annually at the office of the company or at a specified bank. When bonds are issued by an ordinary corporation (and not by the government or a municipality) they are usually secured by a mortgage or trust deed upon the property of the company made to a trust company. The property is then said to be "bonded." A Coupon Bond is one made payable to the holder, and has interest certificates, called coupons, attached, which specify the amount of interest and date when due. As the coupons mature they are clipped off and collected. (See form of Coupon Bond above.) A Registered Bond is one made payable to the order of the holder, whose name is registered upon the books of the corporation. Registered bonds if stolen or lost are of no value to the thief or finder. The interest upon registered bonds is payable by the Treasurer's check.

# BANKING.

A BANK is an institution organized for the purpose of receiving deposits, loaning money, issuing circulating notes, dealing in foreign and domestic exchange, making collections of commercial paper, etc.

The Bank brings together and unites the separate means of individuals, and the larger sum thus constituted is hired out on interest to those who need it. Thus the surplus wealth of individuals, instead of lying dormant and unprofitable, scattered through the community, is united and made to turn the wheels of factories, carry on stores, or develop mines; furnishing employment to the poor and infusing energy, thrift, and intelligence among the people, where before was neglect, lack of enterprise, lethargy, and ignorance. After it is organized a bank gathers other capital by introducing habits of saving. It awakens the desire for economy and increase among the people. This desire induces industry, which promotes morality, comfort, and intelligence.

A Bank is said to be the "balance wheel of commerce," loaning money where it is needed, and denying it where it should be denied; fostering credit, that co-efficient and supplement of capital, and yet preventing its abuse.

The business of banking consists in

### I.—Receiving Deposits.

A *commercial* deposit is one which the depositor may check against at pleasure, and on such deposits no interest is usually allowed. A *savings* deposit can only be withdrawn subject to the rules of the bank, and upon such deposits interest is allowed.

The advantages to be derived in keeping a bank account are:

*a.* A safe place of deposit. If money is deposited in a bank and lost, even though not negligent, the bank is responsible.

*b.* A saving of time in paying large sums by checks, besides less danger of error when checks are used.

*c.* A bank account is a good record of one's receipts and expenditures, and is very useful if a payment is disputed, as the check is the best evidence of payment.

*d.* By depositing one's Bills Receivable, checks on other banks, etc., at the bank, the trouble and responsibility of their collection is placed upon the banker, who willingly assumes it.

*e.* By keeping an account with the bank, men acquire habits of promptness and honesty which render them more efficient and successful in business. An eminent English Banker says, "Bankers, for their own interest, always have a regard to the moral character of the party with whom they deal; they inquire whether he be honest or tricky, industrious or idle, prudent or speculative, thrifty or prodigal, and they will more readily make advances to a man of moderate property and good morals than to a man of large property, but of inferior reputation. It is not merely by way of loan or discount that a banker serves a person. He also speaks well of him to those persons who make inquiries respecting him, and the banker's good opinion will be the means of procuring him a higher degree of credit with the parties with whom he trades."

### II.—Loaning Money,

principally in the way of discounting commercial paper. "Bank paper," strictly so-called, is short-time notes and drafts given for the actual purchase or sale of goods, and not "permanent loans," or loans of money to be invested in buildings or fixed property. In cities, the merchant brings to the Bank notes of his customers, given for goods sold. There is a value received

in every note. Flour, molasses, pork, sugar, etc., have passed out of the store and the note expresses the value. The merchant wants to use his capital over again and so sells the notes to the Bank. Strictly "legitimate" banking, loans money to tide over the time between production and consumption of the products of the country, and not to be invested in farms or permanent improvements.

### III.—Buying and Selling Exchange.

Banks located in the interior keep on deposit with one or more banks located in the centers of trade a sufficient amount against which they may draw in amounts to suit their customers, charging therefor a percentage or premium. The Bank with whom such deposit is kept is called the *Correspondent* of the depositing Bank; the draft or bill of exchange so drawn is called *Exchange*, and the percentage charged is also called *Exchange*.

### IV.—Collections.

The extensive system of correspondence in use between Banks in all parts of the country enables them to collect notes and drafts falling due at distant points, for their customers, with great facility, and for this they make a small charge called *Collection*.

### V.—Circulation.

The issuing of paper currency or bank bills is an attribute of National Banks only, and not necessarily a part of the banking business. Banks desiring to issue currency must be incorporated under the National Banking law, and are required to deposit, with the Treasurer of the United States, bonds of the government as security for such issue. Circulating notes are then supplied to the Bank to an amount not exceeding ninety per cent. of the par value of the bonds so deposited.

## ORGANIZATION OF A BANK.

Banks are usually carried on as corporations, and as such do not differ materially from other corporations. The executive management of the Bank is confided to a Board of Directors, who are elected annually at a meeting of the stockholders. These Directors are usually selected from among the most influential stockholders, for their business experience, their standing in the community, and consequent influence in gaining business for the Bank. They are expected to meet weekly or semi-weekly for the purpose of regulating the affairs of the Bank, discussing its present and future policy, and the status of money matters in general. In most Banks they also pass on the merits of paper offered for discount, although in some Banks this is left almost entirely to the President or Cashier.

## OFFICERS AND CLERKS.

### The President

is elected by the Directors. He is the executive officer of the Bank, and upon him the Directors depend largely for their knowledge of the transactions of the Bank. The President must be a man of approved character, good education and keen sagacity, having a large fund of general knowledge and a thorough knowledge of the principles and practice of book-keeping. In order to attract the proper class of customers, the President must be honorable and high minded in all his dealings, and free from outside speculations and entanglements. The successful Bank President must watch the currents of trade; must not only forecast the future, but keep his Bank in a condition to meet any possible ebb or flow in the financial tides. As he is the personal and moral representative of his Bank, if disaster overtakes it, upon his head will rest the heaviest blame.

### The Cashier.

The Cashier is the President's right hand, as to him are committed all the details of the business. He employs all the clerks and is responsible for the proper working of the machinery of the Bank. He is the representative of the Bank in its daily dealings with its customers. He needs all the qualifications ascribed to the successful President. Being brought into immediate contact with dealers, he is supposed to know all about their business and their standing. He is the mouthpiece of the Bank. All correspondence is conducted in his name, and all drafts and checks issued by the Bank bear his signature. He has the supervision of the clerks and their accounts, and must be both skillful and trustworthy.

### The Paying Teller

stands next in the order of promotion to the Cashier. He pays out all money and has the custody of the funds necessary for the transaction of the daily business of the Bank. When a check is presented for payment three questions are instinctively asked and answered in the Paying Teller's mind. First, Is the check genuine? Second, Is the drawer's account good? Third, Is the person presenting the check the proper person to receive the money upon it? These must be thought over and decided in an instant. The Paying Teller also certifies checks. His transactions are recorded in the Paying Teller's Cash Book, and when his cash balance is verified at night and the money placed safely in the vault, his duties for the day, in large Banks, are ended.

### The Receiving Teller

receives all money paid into the Bank, which is recorded upon the Receiving Teller's Cash Book. His position requires great skill in counting money, detecting spurious bills, and adding columns of figures. The Receiving Teller receives payment for notes and drafts due at the Bank, except in large institutions, where there is employed a Note Teller.

### The Discount Clerk

has charge of all paper offered for discount, as well as that which has been discounted. The importance of his position is shown by the fact that he holds nearly all the Bank's bills receivable. In these consist a large share of the resources of the Bank. The Bank holds him directly responsible for their safety. He places them in the vaults at night only to resume them the next morning. Should the President or Cashier wish to examine any particular note, they do it in his presence. The meddling of anyone would lessen or destroy his responsibility. The records of the Discount Clerk are made in the Discount Register and Tickler.

### The Book-keeper.

In large Banks the work of book-keeping is divided among two or more persons, the General Book-keeper, keeping the General Ledger, and the Deposit Book-keeper, whose duty it is to keep the Deposit, or Individual Ledger. Where the depositors are numerous, they are classified as from A to K and L to Z, and a Ledger is kept for each class, requiring a Book-keeper for each Ledger. The Deposit Book-keeper has only to post the customer's deposits to his credit and the checks drawn upon the Bank to the debit of his account. At stated times, usually once a month, the depositor's Bank Book is called in and written up to correspond with his Ledger account.

The General Book-keeper deals with the results of the business of the Bank. He takes precedence of the other book-keepers, and has as much of the confidence of the officers as either of the Tellers. He keeps the Stock Ledger and Transfer Books. It is his duty to make out the periodical statements, consisting of the balances of all the accounts of the General Ledger.

## THE BOOKS USED.

There is a great diversity in the methods of recording the business among Banks, ranging from the very simple set of the small country Bank to the numerous books of the large city bank, employing many clerks, with the necessary division of labor and responsibility. The principles of Bank book-keeping, however, remain the same throughout, and it is the purpose of this set, not to attempt an illustration of the variety of forms and methods used in different Banks, but to clearly illustrate the principles underlying Bank book-keeping, leaving the student to apply those principles and adapt himself to the other forms if desired. The forms and method of procedure here set forth are substantially those used in the majority of Banks of ordinary size.

### The Receiving Teller's Cash Book.

This is a book of ruled columns used to record the receipts of the Receiving Teller. It is substantially the Dr. page of a Cash Book. At the end of the day the amounts are extended into the general column, the cash is verified, and the book is then passed to the Book-keeper, who enters the results of the day's payments upon the Dr. side of his General Cash Book, and posts the items in the Deposit column to the credit of the depositors in the Deposit Ledger.

### The Paying Teller's Cash Book

is similar to that of the Receiving Teller. In large Banks the Receiving and Paying Tellers' Cash Books degenerate into mere tally sheets, called "scratchers," by which to balance the Teller's cash (while the items are posted direct from the debit and credit tickets and other vouchers), but properly they are more than this. The Paying Teller's Cash Book is in reality the Cr. page of a Cash Book. After extending the total amounts into the general column and proving his cash at the close of the day, the teller passes his Cash Book to the Book-keeper, who enters it in total upon the Cr. side of his General Cash Book, and posts the items in the "Checks" column to the debit of the depositors in the Deposit Ledger.

In small Banks one person acts as both Receiving and Paying Teller, and keeps a Cash Book similar to a combination of both the Receiving and Paying Cash Books here given. A Bank large enough to require a Receiving Teller and a Paying Teller as two individuals is usually a "Clearing House Bank," or member of a "Clearing House Association," and on this account would require a somewhat different arrangement of ruled columns in the Cash Book. We have, however, in the following set, conceived of a Bank with both a Receiving Teller and a Paying Teller, and yet *not* a Clearing House Bank, because it best illustrates our purpose.

### The General Cash Book

is used to record the entire cash transactions of the Bank. Items in the first, or "Deposits" column, are carried to the depositor's account in the Deposit Ledger, while items in the General column are posted in detail to their respective accounts in the General Ledger. This book is balanced and its footings posted to the Cash account in the Ledger, the same as in mercantile business.

### The General Ledger.

This book differs in no respect from the ordinary Ledger. It contains the accounts with correspondents and the general accounts of the Bank, such as "Deposits," "Loans and Discounts," "Expense," etc. The items in this book are posted to it from the General Cash Book.

### The Balance Ledger.

In this Book are kept only accounts with depositors. Its items are posted from the Receiving and Paying Tellers' Cash Books and the Deposit column of the General Cash Book. The form of this book differs materially from the ordinary Ledger, having the names of the depositors arranged in alphabetical order upon the left hand edge of the page and the remaining space divided into columns. The first column under each day's heading, is for "Deposits," the second for "Checks in Detail," the third "Total Checks," and the last, "Balance." The

"deposits" are added to the previous day's balance, the "Checks in Detail" are footed and extended into the "Total Checks" column. This amount is then deducted from the sum of the deposits and the previous day's balance, which leaves the present balance to be entered in the last column. Should an account be overdrawn the amount of such overdraft should be entered in red ink in the Balance column.

The advantage of this form of Deposit Ledger is that it exposes the condition of every depositor's account at a glance, and by having the accounts entered alphabetically, avoids the necessity for indexing. Since each page will contain but three days' business, the two opposite pages of this book will contain but a week's business and therefore it is necessary to transfer the names of depositors every Monday morning. In some forms of books, after the first record of the names, a narrower leaf is used, so that the names are not covered and may continue to be used without re-writing, except perhaps every month.

It will be readily seen that the Deposit Ledger represents in detail the Deposit account in the General Ledger, and therefore the sum of the balances of the depositors' accounts at the close of the day must agree with the difference between the debit and credit of Deposit account in the General Ledger.

### Discount Register.

This book corresponds to the Bills Receivable Book of a mercantile house, although more pretentious. In it are recorded all notes and drafts which become the property of the Bank through discounts or loans. The total of notes and drafts discounted each day is carried from this book to the credit side of the General Cash Book, "*By Loans and Discounts,*" while the proceeds of such paper, if carried to the discounter's credit, is placed on the debit side of the General Cash Book, in the Deposit column, and posted to his credit in the Deposit Ledger. The total of the Discount column is carried to the Dr. side of the General Cash Book at the close of the day. The difference between the two sides of the Loans and Discounts account in the General Ledger should correspond with the amount of paper not marked "Paid" upon the Discount Register at any time.

### The Collection Register.

This book contains a record of all paper intrusted to the Bank for collection. No entry is made of these on the principal books of the Bank until they are collected, when, if belonging to a dealer, he is credited with the proceeds as a deposit; and if to a stranger, it is remitted or paid immediately. When notes or drafts come into our hands payable abroad, whether they are our own discounted bills or those left for collection, they are sent forward a few days before due, either to the Bank where they fall due, or to our most convenient correspondent, who will act in the matter as our agent. If sent to a correspondent, we await his advices, and when notified of payment, charge him with the amount. If sent to a Bank *not* a correspondent, the remittance should accompany the advice of payment.

### The Tickler.

This book contains a record of paper falling due at our Bank, or in the hands of correspondents, classified under the date of maturity, whether discounts or collections. For convenience the discounts are entered on one folio and the collections on the opposite.

## OTHER BOOKS.

In addition to the foregoing, there are a number of other books used in many Banks, which, for the sake of simplicity, are omitted here. These are: The Remittance Register, which is a book of ruled columns for the purpose of recording the description of paper forwarded to other Banks for our credit. In remittances to correspondents a description of each paper is entered upon the Remittance Register, and the total amount of such remittance is charged to the Bank to which the remittance is sent. The Draft Register serves as a detailed record of drafts drawn upon correspondents, and enables the Book-keeper to check up the account from the monthly

statement received, with facility. The Discount Ledger is used to record the "line" of discounts which each customer carries, for convenient reference by the officers of the Bank. When a note is discounted it is entered in this book under the name of the discounter, and when paid it is marked paid. Thus the notes not marked paid show the amount of discounts which the customer has at any time.

## GENERAL DIRECTIONS TO THE STUDENT.

When a deposit is received, enter the amount in the deposit column of the Receiving Teller's Cash Book, opposite the name of the depositor, and from there post to the credit of the depositor's account in the Deposit Ledger.

When a check is paid, enter the name of the drawer and amount in the Paying Teller's Cash Book, itemizing the checks and placing the total amount in the "Checks" column, and from there post to the debit of the drawer's account in the Deposit Ledger, itemizing the checks.

When a check is deposited, enter the amount in both the Receiving and Paying Tellers' Cash Books, and post to the Deposit Ledger, crediting the person depositing the check and debiting the drawer of the check.

When a check is given in payment for a draft, or when a note is paid by check, the entries are made the same as though cash was first paid for the check and then received back for the draft or note.

When a check is certified, enter the name of the drawer of the check and amount on the credit side of the General Cash Book, as if the check had been paid in cash, and post to the Deposit Ledger. Also enter on the debit side of the General Cash Book, and post to the General Ledger to the credit of "Certified Checks" account.

When a certificate of deposit is issued, enter same in the Receiving Teller's Cash Book, and also on the debit side of the General Cash Book, and post to the credit of "Certificates of Deposit" account in the General Ledger.

When a note is discounted, it is first entered in the Discount Register and thence in the Discount Tickler. If the proceeds are to be credited to the discounter, enter the name on the debit side of the General Cash Book, and place the proceeds in the "Deposit" column, from which post to the Deposit Ledger. If the proceeds are paid in cash, enter the amount of such proceeds in the Paying Teller's Cash Book, and also on the credit side of the General Cash Book, "*By Loans and Discounts*," and post to the General Ledger.

When a note or draft (discounted) has been paid, mark "Paid" in the Remark column of the Discount Tickler and Discount Register, and enter on the debit side of the General Cash Book, crediting "Loans and Discounts."

When a note or draft is left for collection, enter same upon the Collection Register and Collection Tickler.

When a collection has been paid, mark "Paid and Entered" in the Remark column of the Collection Tickler and Collection Register. If the proceeds are left as a deposit, enter same on the debit side of the General Cash Book, crediting the customer for the amount of such proceeds. If the proceeds are remitted, enter in the General Cash Book, crediting the correspondent on whom the draft for remittance is drawn, instead of crediting the customer. "Collection and Exchange" account must be credited for the collection fee.

When a note or draft left with us for collection has been paid abroad, upon receiving advice of such payment, make the entry same as above to credit the customer, and then charge the correspondent on the credit side of the General Cash Book for the proceeds.

When drafts are sold, enter on the debit side of the General Cash Book, crediting the correspondent drawn on; also crediting "Exchange" for the fee.

## INSTRUCTIONS.

The following set consists of six days' business of a bank, three of which are worked out, and three to be worked by the student. In order to reach the maturity of paper, one month's business is considered as but one day, and is dated on the first day of the month. All paper falling due in the month is presumed to be due and payable on the first, although discount and interest is calculated to its actual date of maturity.

At the close of each month, balance the Teller's Cash Books, and post the deposits and checks to the Deposit Ledger. Rule up the Discount Register, and carry the results of it to the General Cash Book. Balance the General Cash Book and post all items in the "General" column to the General Ledger, and items in the "Deposit" column to the Deposit Ledger. Add together the Balances of the Deposit Ledger, which must agree with the balance of the "Deposit" account in the General Ledger. Also take a Trial Balance of the General Ledger at the end of each month. Close the books and declare a dividend at the end of six months.

### GENERAL LEDGER HEADINGS.

Capital Stock, 10 lines; Circulation, 10; U. S. Bonds, 10; Cash, 10; Furniture and Fixtures, 10; Deposits, 10; Loans and Discounts, 2 pages; Certified Checks, 25 lines; Certificates of Deposit, 20; Expense, 10; Discount, 10; Interest, 10; Collection and Exchange, 15; Ninth National Bank, New York, 30; Valley National Bank, St. Louis, 30; Fifth National Bank, Pittsburg, 20; First National Bank, Detroit, 15; Chicago City 4% Bonds, 8; Toledo National Bank, Toledo, Ohio, 8; Illinois Central R. R. Bonds, 8; Profit and Loss, 10; Dividend No. 1, 8; Surplus, 8; Undivided Profits, 8.

### BALANCE LEDGER ACCOUNTS.

Open accounts in the Balance Ledger in the following order. M. Amos; H. Andrews; G. O. Bishop; Samuel Beem; S. P. Bowman; J. Burchard; H. Dowling; A. C. Devore; Daniel Drew; J. W. Ellis; J. V. Farwell; Robert Finlay; Marshall Field & Co.; C. O. Godfrey; J. Harris; W. Holmes & Co.; L. Johnson; S. H. Karner; W. J. Little; J. Lewis; W. O. Lunt; J. L. Lathrop; J. Mandell & Son; Andrew Merton; A. A. Mead; J. Mershon; Henry Miller; Andrew Paxton; J. W. Strong; Henry Trowbridge; Lyman Trumbull; J. W. Webster; H. Whiteman; H. Worthington; Cyrus D. Warren

## TRANSACTIONS.

December 1, 19—.

The First National Bank of Chicago has this day been organized under the "National Banking Act," with the following

STOCKHOLDERS.

| | | |
|---|---|---|
| W. E. Foreman, | 200 shares, | $20000 |
| W. O. Lunt, | 150 " | 15000 |
| J. W. Phillips, | 200 " | 20000 |
| A. S. Vantress, | 250 " | 25000 |
| M. L. Pierson, | 100 " | 10000 |
| J. R. Winchell, | 300 " | 30000 |
| A. C. Whiting, | 200 " | 20000 |
| A. A. Mead, | 100 " | 10000 |
| J. L. Lathrop, | 200 " | 20000 |
| A. B. Stilwell, | 200 " | 20000 |
| J. C. Cole, | 100 " | 10000 |
| | | $200000 |

OFFICERS.

J. R. Winchell, President. W. E. Foreman, Cashier.

DIRECTORS.

J. R. Winchell, W. E. Foreman, A. S. Vantress, A. C. Whiting, J. L. Lathrop, A. B. Stilwell.

## Subscription List.

We, the undersigned, do subscribe to the Articles of the Association of the First National Bank of Chicago, and for the amount of the Capital Stock of the same set opposite our names and seals, and agree to pay the calls upon the said stock as they become due:

| Date. | | Number of Shares. | Amount. | Signature and Seal. | Residence. |
|---|---|---|---|---|---|
| 19— | | | | | |
| Nov. | 25 | I subscribe for two hundred shares | 20000 | W. E. Foreman (seal) | Chicago. |
| " | 25 | I subscribe for one hundred and fifty shares | 15000 | W. O. Lunt (seal) | Evanston, Ill. |
| " | 29 | I subscribe for two hundred shares | 20000 | J. W. Phillips (seal) | Chicago. |
| Dec. | 1 | I subscribe for two hundred and fifty shares | 25000 | A. S. Vantress (seal) | Chicago. |
| " | 2 | I subscribe for one hundred shares | 10000 | M. L. Pierson (seal) | Chicago. |
| " | 2 | I subscribe for three hundred shares | 30000 | J. R. Winchell (seal) | Chicago. |
| " | 4 | I subscribe for two hundred shares | 20000 | A. C. Whiting (seal) | Chicago. |
| " | 5 | I subscribe for one hundred shares | 10000 | A. A. Mead (seal) | Chicago. |
| " | 5 | I subscribe for two hundred shares | 20000 | J. L. Lathrop (seal) | Chicago. |
| " | 5 | I subscribe for two hundred shares | 20000 | A. B. Stilwell (seal) | Chicago. |
| " | 5 | I subscribe for one hundred shares | 10000 | J. C. Cole (seal) | Chicago. |
| | | | 200000 | | |

In witness to the foregoing subscriptions and signatures, I have hereunto subscribed my name and affixed the seal of my office, in the City of Chicago, this the fifth day of December, A. D. 19—.

GEORGE PINDLE,
Notary Public.

[SEAL.]

## Installment List.

In accordance with a resolution of the Board of Directors of the First National Bank of Chicago, a call of $100 per share of the Capital Stock of said Bank is due and payable December 8th to 10th, 19—.

| When Received. | | Names of Subscribers. | Number of Shares. | Installment. | | Interest. | | Amount Received. | | Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|
| 19— | | | | | | | | | | |
| Dec. | 8 | W. E. Foreman | 200 | 20000 | | | | 20000 | | |
| " | 8 | W. O. Lunt | 150 | 15000 | | | | 15000 | | |
| " | 12 | J. W. Phillips | 200 | 20000 | | 8 | 88 | 20008 | 88 | |
| " | 9 | A. S. Vantress | 250 | 25000 | | | | 25000 | | |
| " | 9 | M. L. Pierson | 100 | 10000 | | | | 10000 | | |
| " | 9 | J. R. Winchell | 300 | 30000 | | | | 30000 | | |
| " | 9 | A. C. Whiting | 200 | 20000 | | | | 20000 | | |
| " | 13 | A. A. Mead | 100 | 10000 | | 6 | 67 | 10006 | 67 | |
| " | 10 | J. L. Lathrop | 200 | 20000 | | | | 20000 | | |
| " | 10 | A. B. Stilwell | 200 | 20000 | | | | 20000 | | |
| " | 10 | J. C. Cole | 100 | 10000 | | | | 10000 | | |
| | | | | 200000 | | | | | | |
| | | Interest | | 15 | 55 | | | | | |
| | | | | 200015 | 55 | | | 200015 | 55 | |

The assessment ordered by the Board of Directors of $100 per share on the Capital Stock, due Dec. 8th to 10th, has been responded to by the stockholders, with the following results:

Dec. 8. Received Cash per Installment List $35000.
General Cash Book.

" 9. Received Cash per Installment List, $85000.

" 10. Received Cash per Installment List, $50000.

" 12. Received Cash per Installment List, $20000, and Interest on same past due, $8.88.

" 13. Received Cash per Installment List, $10000, and Interest on same past due, $6.67.

" 15. Paid Hall's Safe & Lock Co., Cash, for Burglar-Proof Vault, $2000.
G. C. B.

" 18. Paid masons Cash in full for labor and material in building Vault, $845.

" 20. Paid Wait & Bros.' bill for carpenter work on Office Fitting, Fixtures, etc., including material used, $1475.

" 22. Paid Skeen & Stuart Stationery Co., Cash, for Books and Stationery for Bank, $275.

" 24. Bought 100 U. S. 5-20 Bonds of $1000 each at 101⅜, and deposited same with the Comptroller of the Currency of the United States, at Washington, as security for issue of National Currency.
G. C. B.

Received authority from the Comptroller to commence business. It is ordered that the Bank be opened for business January 1, at 9 a. m.

JANUARY 1.

Remitted to our correspondents the following amounts: To Ninth National Bank, New York, $20000; Valley National Bank, St. Louis, $10000; Fifth National Bank, Pittsburgh, $30000; First National Bank, Detroit, $19000.
G. C. B

Received for collection the following paper:

*From W. J. Little:* Henry Brewster's Note for $450 at 30 ds. from Jan. 1, favor W. J. Little and by him endorsed, payable at Union National Bank.
Col. Reg.; Tic.

*From J. Mershon:* J. W. Webster's Note for $1200 at 60 ds. from Jan. 1, favor J. Mershon and by him endorsed, payable at International Bank.
Col. Reg.; Tic.

*From H. Worthington:* His Draft on Andrew Fowler, Pittsburgh, for $1800 at 90 ds. from Dec. 1; sent to Fifth National Bank, Pittsburgh, for collection.
Col. Reg.; Tic.

*From W. O. Lunt:* Luther Fry's Note for $1250 at 90 ds. from Nov. 10, favor W. O. Lunt and by him endorsed, drawing Interest at 8%, payable at our Bank.
Col. Reg ; Tic.

*From Ninth National Bank, New York:* A. T. Stewart & Co.'s Draft on Marshall Field & Co. for $1000 at 30 ds. from Jan. 13, payable at M. F. & Co.'s office. H. B. Partridge's Draft on S. H. Karner for $1840 at 30 ds. sight, accepted Jan. 13, payable at our Bank.
Col. Reg ; Tic

*From Valley National Bank, St. Louis:* A. Shenker's Draft on C. O. Godfrey for $2000 at 60 ds. sight, accepted Jan 15, payable at our Bank. Dodd & Brown's Draft on J. Miller for $4000 at 30 ds. sight, accepted Jan. 16, payable at our Bank.
Col. Reg.; Tic.

Discounted the following paper:

*For L. Johnson:* His Draft on F. I. Bennett & Co., Detroit, for $900 at 30 ds. from Jan. 1 favor L. Johnson. Discount off, 33 ds. at 8%, $6.60. Proceeds to the credit of L. J. as a deposit. . Remitted same to First National Bank, Detroit, for collection.
Dis. Reg.; Tic.

*For H. Whiteman:* John Davis & Co.'s Note for $1000 at 60 ds. from Jan. 7, favor H. Whiteman and endorsed by John Wentworth, payable at 237 Lake St. Discount off, 63 ds. at 8%, $14. Proceeds to the credit of H. Whiteman.

Dis. Reg.; Tic.

*For J. Mandell & Son:* Their Draft on Sherman T. Kimball for $2000 at 30 ds. from Jan. 10, favor our Bank, payable at Park National Bank, New York. Discount off, 33 ds. at 8%, $14.67; Collection and Exchange, $1. Proceeds to the credit of J. Mandell & Son. Remitted same to Ninth National Bank, New York, for collection.

Dis. Reg.; Tic.

Received the following deposits:

L. Johnson, $15000; H. Dowling, $1600; Lyman Trumbull, $5000; Col. and Ex. on Checks and Drafts, 75¢; W. Holmes & Co., $8000; H. Andrews, $16000; Col. and Ex., $1.25; J. Harris, $900; J. W. Strong, $1250; Col. and Ex., 25¢; Henry Trowbridge, $2500; J. Lewis, $540; Col. and Ex., 25¢; Samuel Beem, $2700; H. Whiteman, $5200; Daniel Drew, $2875; Col. and Ex., 50¢; J. W. Ellis, $4000; G. O. Bishop, $12000; S. H. Karner, $2500; J. V. Farwell, $24000; Col. and Ex., $2.50; Marshall Field & Co., $32500; W. J. Little, $4000; J. Mershon, $1000.

R. T. C. B.

The above items of Col. and Ex. are charges paid to the bank by the depositors on out-of-town checks, to cover the cost of their collection or the rate of exchange.

Sold to Lyman Trumbull, on his Check, our Draft on Ninth National Bank, New York, for $800, at $\frac{1}{8}$% premium.

Enter in the R. T. C. B. and check the entry. Also enter in the G. C. B.

Paid the following Checks:

Samuel Beem, $275, $125; Henry Trowbridge, $1200; J. W. Strong, $275.50; J. Mershon, $200, $24.75; J. Lewis, $50; L. Johnson, $490.50, $19.75; W. Holmes & Co., $2440; G. O. Bishop, $400; W. J. Little, $125; J. V. Farwell, $375.50; H. Andrews, $142; Lyman Trumbull, $801; S. H. Karner, $12.

P. T. C. B.

The following Drafts and Checks, received among the deposits this day, have been forwarded for our credit, as per Remittance Register: To Ninth National Bank, New York, paper amounting to $645.80; to Fifth National Bank, Pittsburgh, $418.60; to First National Bank, Detroit, $227.60; to Valley National Bank, St. Louis, $236.40.

G. C. B.

At the close of each day checks and drafts on out-of-town banks are entered on the "Remittance Register," endorsed and forwarded, together with an itemized list of same, to the correspondent where they are payable. The total amount of each remittance is charged in the G. C. B. as one item.

The Discount Register is now closed and the results carried to the General Cash Book, as follows: *Credits:* L. Johnson $893.40; H. Whiteman, $986; J. Mandell & Son $1984.33; Discount, $35.27; Col. and Ex., $1. *Debits:* Loans and Discounts, F. J. Bennett & Co., No. 1, $900; John Davis & Co., No. 2, $1000; Sherman T. Kimball, No. 3, $2000.

G. C. B.

The Receiving Teller's Cash Book is now closed and the results carried to the General Cash Book. Total Col. and Ex., $6.50. Deposits, $141565.

G. C. B.

The Paying Teller's Cash Book is now closed and the results carried to the General Cash Book. Total Checks, $6956.

G. C. B.

See that the Trial Balance of the Deposit Ledger agrees with the "Deposit" account in the General Ledger.

FEBRUARY 1.

Received of Comptroller of Currency at Washington, $90000 in National currency of different denominations, which, after being duly signed by the President and Cashier, pass into the hands of the Tellers for issue.

G. C. B.

Received the following paper for collection:

*From Fourth National Bank, Buffalo,* S. H. Romer's Note for $1500 at 60 ds. from Jan. 10, favor Wayne Bros., and by them endorsed, drawing interest at 7%, payable at Commercial National Bank; G. O. Bishop's Acceptance for $540 at 60 ds. from Jan. 20, favor H. Marshall, and by him endorsed, payable at 213 Dearborn Street.

Col. Reg.; Tic.

*From Valley National Bank, St. Louis:* J. Harman's Draft on H. Dowling for $769 at 30 ds. from Jan. 29, payable at our bank with exchange (Ex., 75¢.).

*From Fifth National Bank, Pittsburgh:* W. Shafer's Draft on Lyman Trumbull for $1860 at 60 ds. from Jan. 25, payable at L. T's office; R. Duback's Draft on Marshall Field & Co., for $8742 at 30 ds. from Feb. 25, payable at M. F. & Co.'s office; H. Emery's Draft on J. W. Webster for $3900 at 90 ds. from Feb. 19, payable at our bank.

Discounted the following paper:

*For Marshall Field & Co.:* J. Collins' (St. Louis) Note for $2000 at 60 ds. from Jan. 15, favor J. H. Walter, and by him endorsed. Discount off, 46 ds., at 8%, $**.**. Exchange, $2; proceeds to the credit of M. F. & Co. Remitted same to Valley National Bank for collection and credit.

Dis. Reg.; Tic.

*For E. B. Hoswell:* His Note for $3000 at 30 ds. from Feb. 1, endorsed by G. S. Rawson, favor of, and payable at, our bank. Discount, 33 ds. at 8%, $**. Proceeds paid in cash.

Dis. Reg.; Tic. Enter in the P. T. C. B. and check the entry.

In large banks, where the proceeds of paper is to be paid in cash, the cashier gives the discounter what is called a "Cashier's Check," which is a check drawn by the cashier upon the bank. This check is endorsed and presented by the discounter at the Paying Teller's window, and when paid serves as the bank's receipt from the discounter for the proceeds of the loan.

*For J. V. Farwell:* J. Porter's Note for $4000 at 90 ds. from Jan. 10, favor J. V. Farwell, and endorsed by him, payable at our bank. Discount off, 71 ds. at 8%. $**.**. Proceeds to the credit of J. V. Farwell.

*For J. Mershon:* F. Durell's Note for $1500 at 30 ds. from Feb. 1, in favor of, and endorsed by, H. Lyon, payable at our bank. Discount off, 33 ds. at 8%, $**. Proceeds to the credit of J. Mershon.

*For J. Lewis:* His Draft on C. W. Parsons, New York, for $4500 at 60 ds. from Jan. 20, favor of our bank. Discount off, 51 ds., at 8%, $**. Col. and Ex., $4.50. Proceeds to the credit of J. Lewis. Remitted same to Ninth National Bank, New York, for collection and credit.

Sold the following drafts this day:

On First National Bank, Detroit, No. 1 for $1280, Exchange $3.20; No. 2 for $920, Exchange $3. On Valley National Bank, No. 3, for $540, Exchange $1.35. On Ninth National Bank, No. 4, for $1650, Exchange $4.80.

R. T. C. B. and G. C. B.

Received the following deposits:

Henry Trowbridge, $185.75; H. Whiteman, $1284.60; Col. and Ex., 75¢; M. Amos, $5642; J. W. Ellis, $3400; Henry Miller, $5287; Col. and Ex., $1.25; Samuel Beem, $1400; Daniel Drew, $3000; Col. and Ex., 75¢; G. O. Bishop, $1500; H. Dowling, $1200; Col. and Ex. $1.50; J. V. Farwell, $10450; L. Johnson, $3685.75; W. J. Little, $140; Lyman Trumbull, $475; Col. and Ex. 50¢; J. Mershon, $1260; Col. and Ex. $1.25; J. Lewis, $150; H. Andrews, $4280; Marshall Field & Co., $24685; J. W. Webster, $1972; J. Mandell & Son, $19465; Col. and Ex., $2.25; J. Burchard, $4280; J. W. Strong, $1000.

R. T. C. B.

The following Drafts and Checks, received among deposits this day, have been forwarded for our credit as per Remittance Register: To Ninth National Bank, New York, Drafts amounting to $436.80; to Fifth National Bank, Pittsburgh, $213.60; to Valley National Bank, St. Louis, $427.35.

G. C. B.

Paid the following Checks:

Henry Trowbridge, $48.50, $77.25; J. Lewis, $27.50;Daniel Drew, $1000, $427.60, $118.35; J. W. Ellis, $860, $314.20, $84.40; H. Dowling, $129.40; J. W. Webster, $115, $60; J. Mandell & Son, $347.50; H. Whiteman, $862.40, $416.80; L. Johnson, $4625.80, $180.40, $962.30; J. Mershon, $496.20, $11.63, $1000, $923.20; Lyman Trumbull, $620.40, $87.40; W. Holmes & Co., $214.60, $185.20, $820; J. Harris, $170; S. H. Karner, $216.80, $435.20, $1840; Marshall Field & Co., $1860.40, $1654.88, $2800, $9600; J. V. Farwell, $1400, $112.60, $945, $3600; J. W. Little, $75.25, $46.80, $250; G. O. Bishop, $342, $60; J. Burchard, $118.60, $25, $1283.20.

P. T. C. B.

The following paper, left with us for collection, has been paid at this Bank, the proceeds of which we credit to the owners: No. 1, for W. J. Little, $450, less Col. and Ex. 50¢; No. 4, for W. O. Lunt, $1275.84, Col. and Ex. $1.25; No. 5, for Ninth National Bank, $1000, Col. and Ex. $1; No. 6, $1840, Col. and Ex. $1.75; No. 8, for Valley National Bank, $4000, Col. and Ex. $4.

Mark "Paid and Entered" in the Col. Reg. and Tic. Enter in the R. T. C. B. and check the entries. Also enter in the G. C. B.

The following discounts, which have been remitted to other Banks for collection, have been paid, as per notices received this day: No. 1, F. I. Bennett & Co., $900, remitted to, and collected by, First National Bank, Detroit; proceeds placed to our credit, less Col. and Ex., 90¢. No. 3, Sherman T. Kimball, $2000, remitted to and collected by Ninth National Bank, New York; proceeds placed to our credit, less Col. and Ex., $2. Total Col. and Ex., $2.90.

Mark "Paid" in the Dis. Reg. and Tic. and enter in the G. C. B., crediting loans and Discounts and debiting the correspondents for the proceeds of the paper, and debiting Col. and Ex. for the charges.

The Discount Register is now closed and the results carried to the General Cash Book, as follows: *Credits:* Marshall Field & Co., $1977.56; J. V. Farwell, $3936.89; J. Mershon, $1489; J. Lewis, $4444.50. Discount, $167.55; Col. and Ex., $6.50. *Debits:* Loans and Discounts, J. Collins, No. 4, $2000; E. B. Hoswell, No. 5, $3000; J. Porter, No. 6, $4000; F. Durell, No. 7, $1500; C. W. Parsons, No. 8, $4500.

The Receiving Teller's Cash Book is now closed and the results carried to the General Cash Cook. Total Col. and Ex., $29.10. Total Deposits, $94742.10.

The Paying Teller's Cash Book is now closed and the results carried to the General Cash Book. Total Checks, $41851.76.

MARCH 1.

Sold to F. J. Reed Draft on Ninth National Bank, New York, No. 9, for $450, at ½% premium; to Lyman & Booth, Draft on Valley National Bank, St. Louis, No. 7, for $625, at $1.50 premium; to J. W. Webster, Draft on First National Bank, Detroit, No. 6, for $384.20, at $1 premium; to Lewis M. Waterman, Draft on Valley National Bank, St. Louis, No. 8, for $650, at $1.50 premium.

R. T. C. B. and G. C. B.

Received the following paper for collection:

*From Valley National Bank, St. Louis:* E. Bradshaw's Draft on J. W. Strong for $550 at 30 ds. from Feb. 10, payable at 117 Monroe Street; Dodd & Brown's Draft on C. O. Godfrey for $1200 at 10 ds. from Feb. 25, payable at our bank; John Allison's Draft on William True for $2000 at 60 ds. from Feb. 25, payable at Union Trust Co.

Col. Reg.: Tic.

*From E. G. Schofield, Providence, R. I.:* His Draft on W. B. Cooke & Co. for $4200 at 30 ds. from Feb. 13, payable at our bank, proceeds to be remitted when paid.

*From A. Shenck, Indianapolis, Ind.:* His Draft on H. B. Culver for $6000 at 60 ds. from Feb. 20, with Exchange, payable at our bank, proceeds to be remitted when paid. (Ex. $6.)

*From E. K. Losier, Baltimore:* Marshall Field & Co.'s Note for $14600 at 90 ds. from Jan. 25, with Interest at 6%, endorsed by E. K. L., payable at M. F. & Co.'s office, proceeds to be remitted when paid.

*From Fifth National Bank, Pittsburgh:* W. Shafer's Draft on Geo. Taylor & Co. for $6580 at 60 ds. from Feb. 24, with Exchange, payable at our bank

*From Ninth National Bank, New York:* A. T. Stewart & Co.'s Draft on J. V. Farwell for $8500 at 30 ds. from Feb. 23, payable at our bank; H. B. Cutter's Draft on J. Mershon for $3700 at 30 ds. from Feb. 28, payable at our bank. (Ex. $6.50.)

*From Marshall Field & Co.:* Lesem Bros.' Note for $4600 at 90 ds. from Jan. 25, with Interest at 6%, favor M. F. & Co. and by them endorsed, payable at Quincy, Ill., which we have remitted for collection to C. H. Bull & Co., Quincy.

*From J. L. Lathrop:* E. B. Hawley's Note for $1350 at 30 ds. from Feb. 27, favor J. L. L. and by him endorsed, payable at our bank.

*From J. V. Farwell:* His Draft on M. Hagan, Springfield, Ill., for $6450 at 60 ds. from March 1, payable at Springfield, which we have remitted to State National Bank, Springfield, for collection.

*From A. A. Mead:* Levi Wing's Note for $8000 at 60 ds. from Feb. 15, with Interest at 7%, endorsed by W. Parsons, payable at our bank.

*From L. Johnson:* His Draft on J. M. Potter, Toledo, for $13000 at 60 ds. from Feb. 14, which we have remitted to Toledo National Bank for collection.

*From J. W. Webster:* His Draft on D. S. Wheeler, Pittsburgh, for $1000 at 60 ds. from March 1, with Exchange, which we have remitted to Fifth National Bank, Pittsburgh, for collection.

*From H. Dowling:* His Draft on R. N. Pierson, Buffalo, N. Y., for $5000 at 60 ds. from March 1, which we have remitted to Woodruff & Co., Buffalo, for collection. (Ex. $1.)

*From Ninth National Bank, New York:* M. A. Durr's Draft on R. Andrews, Springfield, Ill., for $620 at 60 ds. from Feb. 16, which we have remitted to State National Bank, Springfield, for collection.

Discounted the following paper:

*For C. O. Godfrey:* His Note for $2000 at 60 ds. from March 1, our favor, endorsed by C. Haywood, payable at our bank. Discount off, 63 ds. at 8%, $**. Proceeds to the credit of C. O. Godfrey.

*For A. B. Stilwell:* J. Collins' Note for $3500 at 60 ds. from Feb. 20, favor A. B. Stilwell, endorsed by H. Brown, payable at St. Louis. Discount off, 54 ds. at 8%, $**. Col. and Ex., $3.50. Proceeds paid in Cash. Remitted same to Valley National Bank for collection.

P. T. C. B.

*For J. V. Farwell:* G. W. Purington's Note for $4650 at 60 ds. from Feb. 25, with interest at 6%, favor J. Emery, and by him endorsed, payable at New York. Interest to maturity, $48.83. Amount of Note, $4698.83. Discount off, 59 ds. at 8%, $**.**. Col. and Ex., $4.65. Proceeds to the credit of J. V. Farwell. Remitted same to Ninth National Bank for collection.

*For Julius Bauer:* J. Russell's Draft on D. Appleton & Co., New York, for $3000 at 60 ds. from Feb. 27, favor Julius Bauer. Discount off, 61 ds. at 8%, $**.**. Col. and Ex., $3. Proceeds paid in Cash. Remitted same to Ninth National Bank for collection.

*For Geo. L. Crosby:* His Draft on A. B. Wilson, Detroit, for $8450 at 30 ds. from March 1, favor Crosby; Discount off, 33 ds. at 8%, $**.**; Col. and Ex., $8.45. Proceeds paid in Cash. Remitted same to First National Bank, Detroit, for collection and credit.

*For L. Johnson:* W. Knapp's (Pittsburgh) Note for $9500 at 60 ds. from March 1, favor Geo. Gray and by him endorsed; Discount off, 63 ds. at 8%, $***; Col. and Ex., $9.50. Proceeds to the credit of L. Johnson. Remitted same to Fifth National Bank, Pittsburgh, for collection.

*For J. W. Phillips:* His Draft on S. Morton, Detroit, for $2500 at 30 ds. from March 1, favor Phillips; Discount off, 33 ds. at 8%, $**.**; Col. and Ex., $2.50. Proceeds paid in Cash. Remitted same to First National Bank, Detroit, for collection and credit.

*For A. C. Whiting:* J. Hixon's Note for $12000 at 30 ds. from Feb. 25, favor Whiting and by him endorsed, payable at our Bank. Discount off, 29 ds. at 8%, $**. Proceeds paid in Cash.

*For A. S. Vantress:* His Draft on A. R. Dunton, Boston, for $6000 at 30 ds. from March 1, favor Vantress; Discount off, 33 ds. at 8%, $**; Col. and Ex., $6. Proceeds paid in Cash. Remitted to J. G. Easton & Co., Boston, for collection.

*For J. L. Lathrop:* H. Walker's (Pittsburgh) Note for $8000 at 60 ds. from Feb. 1, favor J. L. Lathrop, and endorsed by A. White; Discount off, 35 ds. at 8%, $**.**; Col. and Ex., $8. Proceeds paid in Cash. Remitted same to Fifth National Bank, Pittsburgh, for collection.

*For G. O. Bishop:* His Note for $3000 at 60 ds. from March 1, endorsed by H. Carson, favor of, and payable at, our bank. Discount off, 63 ds. at 8%, $**. Proceeds to the credit of G. O. Bishop.

*For M. L. Pierson:* His Draft on Henry Troyman, for $4500 at 30 ds. from Feb. 21, favor M. L. Pierson and endorsed by him, payable at 213 Sherman Street, City. Discount off, 25 ds. at 8%, $**.**. Proceeds paid in Cash.

*For J. Mandell & Son:* Their Draft on Geo. Wells, St. Louis, for $9450 at 60 ds. from Feb. 10, favor themselves. Discount off, 44 ds. at 8%, $**.**. Col. and Ex., $9.45. Proceeds to the credit of J. Mandell & Son. Remitted same to Valley National Bank for collection and credit.

*For J. Mershon:* His Draft on Louis Fisher, New York, for $4800 at 90 ds. from Feb. 25, favor himself. Discount off, 89 ds. at 8%, $**.**. Col. and Ex., $4.80. Proceeds to the credit of J. Mershon. Remitted same to Ninth National Bank for collection.

*For Marshall Field & Co.:* J. Price's Note for $16250 at 90 ds. from Jan. 16, favor M. F. & Co. and endorsed by them, payable at Detroit. Discount off, 49 ds. at 7%, $***.**. Col. and Ex., $16.25. Proceeds to the credit of Marshall Field & Co. Remitted same to the First National Bank for collection and credit.

Bought for Cash, 10 U. S. 10-40 Bonds, $1000 each, at 101⅛.

Sold the following Drafts this day:

To J. Mershon, on Valley National Bank, No. 9, for $2000; Exchange, $5. To S. H. Karner, on Fifth National Bank, Pittsburgh, No. 5, for $500; Exchange, $1.25. To A. A. Mead, on First Nationl Bank, Detroit, No. 10, for $1240; Exchange, $3.10.

R. T. C. B., G. C. B.

Received the following deposits:

J. W. Strong, $2450; Col. and Ex., $1.75; J. Lewis, $475; Col. and Ex., 25¢; Henry Trowbridge, $1620.50; Samuel Beem, $800; Col. and Ex., 50¢; Daniel Drew, $3478.75; H. Whiteman, $1800; J. Mandell & Son, $178.50; Andrew Merton, $1740; Col. and Ex., $1.25; J. W. Ellis, $3475; Col. and Ex., $1.75; J. Mershon, $2650; Col. and Ex., $1; L. Johnson, $15490; Col. and Ex., $1.25; H. Dowling, $3200; J. W. Webster, $8604; Col. and Ex., $2.25; W. Holmes & Co., $164; H. Andrews, $3745; Col. and Ex., $1.25; Lyman Trumbull, $5864; W. O. Lunt, $879; Marshall Field & Co., $17450; Col. and Ex., $2.75; S. H. Karner, $5687.50; Col. and Ex., 75¢; W. J. Little, $4700; J. V. Farwell, $6950; Col. and Ex., $2; G. O. Bishop, $3695; J. Burchard, $2780; M. Amos, $675.

Certified the following Checks:

For L. Johnson, $465.30; H. Whiteman, $128.50; Samuel Beem, $200; Lyman Trumbull, $350; J. Mershon, $400.

G. C. B.

When a Check is certified, it is charged against the drawer as if paid, and credited to "Certified Checks." The Paying Teller usually certifies the Checks, but as no Cash is received or paid out no entry in his Cash Book is necessary, but a ticket is made out and passed to the Book-keeper.

Issued the following certificates of deposit:

To Mrs. L. M. Stevens, $200; D. D. Potter, $500; E. R. Shaw, $300.

R. T. C. B. and G. C. B. Credit "Certificates of Deposit."

The following Drafts and Checks, received among the deposits this day, have been forwarded for our credit as per Remittance Register:

To Ninth National Bank, New York, amounting to $4862.35; to Valley National Bank, $2643.85; to First National Bank, Detroit, $987.35; to Fifth National Bank, Pittsburgh, $1165.38.

Paid the following Checks:

Lyman Trumbull, $964.80, $1732.40, $1500; G. O. Bishop, $3600, $1285.40, $175.20; W. Holmes & Co., $4850.75, $865.25, $940.50; S. H. Karner, $478.75, $816.50, $2546.30, $501.25; H. Andrews, $275; J. Harris, $186.40, $250; J. V. Farwell, $15000, $3678.90; H. Dowling, $78; Marshall Field & Co., $4368.50, $18250, $5000; Daniel Drew, $3785.20; J. W. Ellis, $240; L. Johnson, $460, $325.80; J. Mandell & Son, $3000, $485.30; H. Whiteman, $1600, $245; Andrew Merton, $150, $214.80, Henry Miller, $3470, $305; M. Amos, $275, $400; W. J. Little, $6500; J. W. Webster, $125.70; $388.04; J. Burchard, $679.80; W. O. Lunt, $413.20, $865; J. Lewis, $47, $88; Samuel Beem, $2875; Henry Trowbridge, $1240; J. W. Strong, $1680; H. Worthington, $1243.20; J. Mershon, $2005.

Paid the following certified Checks:

H. Whiteman, $128.50; Samuel Beem, $200.

P. T. C. B. and G. C. B.

The following collections have been paid at this Bank, the proceeds of which we credit to the owners:

No. 2, J. Mershon, $1200; Col. and Ex., $1.20. No. 7, Valley National Bank, St. Louis, $2000; Col. and Ex., $2. No. 11, $769.75; Col. and Ex., 75¢. No. 15, $550; Col. and Ex., 55¢. No. 16, $1200; Col. and Ex., $1.20. No. 12, Fifth National Bank, Pittsburgh, $1860; Col. and Ex., $1.85. No. 13, $8742; Col. and Ex., $8.75. No. 22, Ninth National Bank, New York, $8500; Col. and Ex., $8.50.

R. T. C. B. and G. C. B., crediting the owners for the proceeds.

The following collections have been paid at this bank, the proceeds of which we remit to the owners by New York Drafts.

No. 9, Fourth National Bank, Buffalo, $1518.38; Col. and Ex., $1.50. No. 10, $540; Col. and Ex., 50¢; remitted by Draft No. 10. No. 18, F. G. Schofield, Providence, R. I., $4200; Col. and Ex., $4.20; remitted by Draft No. 11.

Enter in the R. T. C. B.

Enter in the G. C. B., crediting the New York Correspondent on whom the drafts were drawn for the amount of above remittances.

The following collection, remitted to another Bank for collection, has been paid, as per notice received this day, the proceeds of which we credit to the owner:

No. 3, H. Worthington, $1800, remitted to and collected by Fifth National Bank, Pittsburgh, Col. and Ex., $1.80. Proceeds placed to our credit.

Enter in the G. C. B., crediting the owner of the paper for the proceeds and debiting Fifth National Bank for same.

The following discounts, falling due and payable at this Bank, as per Tickler, have been paid:

No. 2, John Davis & Co., $1000; No. 5, E. B. Hoswell, $3000; No. 7, F. Durell, $1500; No. 16, J. Hixon, $12000; No. 20, Henry Troyman, $4500.

R. T. C. B. and G. C. B., crediting Loans and Discounts.

The following discounts, which have been remitted to other Banks for collection, have been paid, as per notices received this day.

No. 4, J. Collins, $2000, remitted to and collected by Valley National Bank, St. Louis; proceeds placed to our credit, less Col. and Ex., $2. No. 8, C. W. Parsons, $4500, remitted to and collected by Ninth National Bank, New York; proceeds placed to our credit, less Col. and Ex., $4.50. Total Col. and Ex., $6.50.

Mark "Paid" in the Dis. Reg. and Tic. Enter in the G. C. B., crediting "Loans and Discounts" for the face of the paper, and debiting the correspondents and "Col. and Ex."

The Discount Register is now closed and the results carried to the General Cash Book, as follows: *Credits:* C. O. Godfrey, $1972; J. V. Farwell, $4632.58; L. Johnson, $9357.50; G. O. Bishop, $2958; J. Mandell & Son, $9348.15; J. Mershon, $4700.27; Marshall Field & Co., $16078.93; Discount, $978.27; Col. and Ex., $76.10. *Debits:* Loans and Discounts—C. O. Godfrey, No. 9, $2000; J. Collins, No. 10, $3500; G. W. Purington, No. 11, $4650; D. Appleton & Co., No. 12, $3000; A. B. Wilson, No. 13, $8450; W. Knapp, No. 14, $9500; S. Morton, No. 15, $2500; J. Hixon, No. 16, $12000; A. R. Dunton, No. 17, $6000; H. Walker, No. 18, $8000; G. O. Bishop, No. 19, $3000; Henry Troyman, No. 20, $4500; Geo. Wells, No. 21, $9450; Louis Fisher, No. 22, $4800; J. Price, No. 23, $16250; Interest, $48.83.

The Receiving Teller's Cash Book is now closed and the results carried to the General Cash Book. Total deposits, $98551.25; Col. and Ex. $63.35.

The Paying Teller's Cash Book is now closed and the results carried to the General Cash Book. Total Checks, $100449.94.

NOTE.—It may seem unnecessary to itemize the Loans and Discounts on the credit side of the General Cash Book, as has been done heretofore. Entering the total of the Loans and Discounts may be satisfactory to many teachers as it is to some bankers. The main advantage to be gained in the method here used is in the more intelligent record afforded by the Loans and Discounts account in the General Ledger.

It will also be noticed that in this set we have charged an almost uniform rate of exchange and collection. This is a matter depending largely on circumstances. A depositor with a large balance is charged little or nothing for exchange on checks or drafts, or collection fees on paper which the bank collects for him. It is also a custom among banks in some localities to charge each other nothing for such items.

For the sake of uniformity, we have in this set made no variation in our charges to other banks, or large depositors. Having learned the rule for treating these items, the student will have no trouble with the exceptions.

April 1.

Paid Cash for postage stamps, $20.
P. T. C. B. and G. C. B.

Bought for Cash, 50 Illinois Central R. R. Bonds of $100 each at $60, $3000.
G. C. B.

Received the following paper for collection:

*From Valley National Bank, St. Louis:* J. W. Disbrow's Draft on G. O. Bishop for $3200 at 30 ds. from March 10, payable at our Bank; Geo. Bacon's Draft on J. Mershon for $1250 at 60 ds. from March 17, payable at 75 Madison Street; R. Demaree's Draft on W. O. Lunt for $680 at 60 ds. from Mareh 17, payable at Union National Bank.
Col. Reg.; Tic.

*From First National Bank, Detroit*: Henry Miller's Note for $1400 at 3 months from Jan. 15, endorsed by W. Dresher, payable at H. M.'s office; H. Bourne's Draft on J. V. Farwell for $2000 at 60 ds. from March 12, payable at our Bank.

*From Geo. Boyer, Cincinnati:* His Draft on Geo. W. Sherwood for $800 at 30 ds. from March 18, payable at 214 Monroe Street.

*From R. Chambers, Albany, N. Y.:* His Draft on W. B. Cooke & Co. for $1200 at 20 ds. from March 28, payable at W. B. C. & Co.'s office.

*From A. Dickinson, Louisville, Ky.:* His Draft on Jas. Wilde, Jr., & Co. for $2500 at 60 ds. from March 19, payable at J. W., Jr., & Co.'s store.

*From Ninth National Bank, New York:* A. T. Stewart's Draft on J. Shaw & Co. for $8460 at 30 ds. from March 23, payable at 149 State Street; J. L. Tim's Draft on Daniel Drew for $1256 at 10 ds. from March 27, payable at Daniel Drew's office; H. L. Arnold's Draft on J. R. Winchell for $9840 at 30 ds. from March 26, payable at 108 Lake Street; Henry Willoughby's Draft on E. B. Myers for $6280 at 20 ds. from March 28, payable at Chicago National Bank; E. Dilworth's Draft on A. A. Mead for $9420 at 60 ds. from March 24, payable at Merchants' Loan & Trust Co.; L. Wining's Draft on Potter Palmer for $14000 at 60 ds. from March 11, payable at our Bank.

*From Fifth National Bank, Pittsburgh:* E. B. Roach's Draft on J. Mandell & Son for $3600 at 60 ds. from March 29, payable at our Bank; Henry Watson's Draft on A. C. Whiting for $3628.50 at 90 ds. from March 28, with Exchange, payable at Union National Bank; L. Johnson's Note for $6275 at 4 months from Feb. 13, with interest at 7%, endorsed by A. M. Dean, payable at our Bank; Geo. Bement's Draft on W. J. Little for $5420 at 60 ds. from March 29, payable at 230 Wabash Avenue.

*From S. Bogardus, Springfield, Ill.:* H. Whiteman's Note for $2682 at 6 months from Jan. 10, with interest at 8%, endorsed by S. Bogardus, payable at our Bank.

*From Marshall Field & Co.:* Their Draft on A. C. Spalding (Kansas City, Mo.) for $1280 at 60 ds. from April 1, which we have remitted to State Savings Institution, Kansas City, for collection.

*From J. Harris:* His Draft on E. H. Black (New York) for $2460 at 60 ds. from April 1, which we have remitted to Ninth National Bank for collection.

*From J. V. Farwell:* His Draft on A. C. Buttolph (St. Louis) for $675 at 30 ds. from April 1, with Exchange, whih we have remitted to Valley National Bank for collection.

*From A. Lyons & Co.:* F. Westfall's (Detroit) Note for $547 at 6 months from Jan. 10, endorsed by A. Lyons & Co., which we have remitted to First National Bank, Detroit, for collection.

*Continued on page 272.*

| | | | Col. & Ex. Rec'd. | Bills Rec. and Int. | Deposits. | General. |
|---|---|---|---|---|---|---|
| 19— | | | | | | |
| Jan. | 1 | L. Johnson | | | 15000 | |
| | | H. Dowling | | | 1600 | |
| | | Lyman Trumbull | | | 5000 | |
| | | W. Holmes & Co. | | | 8000 | |
| | | H. Andrews | 1 25 | | 16000 | |
| | | J. Harris | | | 900 | |
| | | J. W. Strong | 25 | | 1250 | |
| | | Henry Trowbridge | | | 2500 | |
| | | J. Lewis | 25 | | 540 | |
| | | Samuel Beem | | | 2700 | |
| | | H. Whiteman | | | 5200 | |
| | | Dan'l Drew | 50 | | 2875 | |
| | | J. W. Ellis | | | 4000 | |
| | | G. O. Bishop | | | 12000 | |
| | | S. H. Karner | | | 2500 | |
| | | J. V. Farwell | 2 50 | | 24000 | |
| | | Marshall Field & Co. | | | 32500 | |
| | | W. J. Little | | | 4000 | |
| | | J. Mershon | | | 1000 | |
| | | Ninth Nat. Bank, Draft No. 1 | 1 | | | 800 |
| | | | 6 50 | | 141565 | 800 |
| | | Col. and Ex. | | | | 6 50 |
| | | Deposits | | | | 141565 |
| | | Total Receipts | | | | 142371 50 |

| 19— | | Col. & Ex. Rec'd | | Bills Rec. and Int. | | Deposits. | | General. | |
|---|---|---|---|---|---|---|---|---|---|
| Feb. 1 | First National Bank, Detroit, Draft No. 1 | 3 | 20 | | | | | 1280 | |
| | " " " " " No. 2 | 3 | | | | | | 920 | |
| | Valley National Bank, " No. 3 | 1 | 35 | | | | | 540 | |
| | Ninth National Bank, " No. 4 | 4 | 80 | | | | | 1650 | |
| | Henry Trowbridge | | | | | 185 | 75 | | |
| | H. Whiteman | | 75 | | | 1284 | 60 | | |
| | M. Amos | | | | | 5642 | | | |
| | J. W. Ellis | | | | | 3400 | | | |
| | Henry Miller | 1 | 25 | | | 5287 | | | |
| | Samuel Beem | | | | | 1400 | | | |
| | Daniel Drew | | 75 | | | 3000 | | | |
| | G. O. Bishop | | | | | 1500 | | | |
| | H. Dowling | 1 | 50 | | | 1200 | | | |
| | J. V. Farwell | | | | | 10450 | | | |
| | L. Johnson | | | | | 3685 | 75 | | |
| | W. J. Little | | | | | 140 | | | |
| | Lyman Trumbull | | 50 | | | 475 | | | |
| | J. Mershon | 1 | 25 | | | 1260 | | | |
| | J. Lewis | | | | | 150 | | | |
| | H. Andrews | | | | | 4280 | | | |
| | Marshall Field & Co. | | | | | 24685 | | | |
| | J. W. Webster | | | | | 1972 | | | |
| | J. Mandell & Son | 2 | 25 | | | 19465 | | | |
| | J. Burchard | | | | | 4280 | | | |
| | W. Strong | | | | | 1000 | | | |
| | W. J. Little Col. No. 1 | | 50 | 449 | 50 | | | | |
| | W. O. Lunt " No. 4 | 1 | 25 | 1274 | 59 | | | | |
| | Ninth National Bank, " No. 5 | 1 | | 999 | | | | | |
| | " " " No. 6 | 1 | 75 | 1838 | 25 | | | | |
| | Valley National Bank, " No. 8 | 4 | | 3996 | | | | | |
| | | 29 | 10 | 8557 | 34 | 94742 | 10 | 4390 | |
| | Deposits | | | | | | | 94742 | 10 |
| | Bills Rec. and Int. | | | | | | | 8557 | 34 |
| | Col. and Ex. | | | | | | | 29 | 10 |
| | Total Receipts | | | | | | | 107718 | 54 |

| | | | Col. & Ex. Rec'd. | | Bills Rec. and Int. | | Deposits. | | General. | |
|---|---|---|---|---|---|---|---|---|---|---|
| 19— | | | | | | | | | | |
| Mar. | 1 | Ninth National Bank, Draft No. 9 | 2 | 25 | | | | | 450 | |
| | | Valley National Bank, " No. 7 | 1 | 50 | | | | | 625 | |
| | | First National Bank, Detroit, " No. 6 | 1 | | | | | | 384 | 20 |
| | | Valley National Bank, " No. 8 | 1 | 50 | | | | | 650 | |
| | | Valley National Bank, " No. 9 | 5 | | | | | | 2000 | |
| | | Fifth Nat. Bk., Pittsburgh, " No. 5 | 1 | 25 | | | | | 500 | |
| | | First National Bank, Detroit, " No. 10 | 3 | 10 | | | | | 1240 | |
| | | J. W. Strong | 1 | 75 | | | 2450 | | | |
| | | J. Lewis | | 25 | | | 475 | | | |
| | | Henry Trowbridge | | | | | 1620 | 50 | | |
| | | Samuel Beem | | 50 | | | 800 | | | |
| | | Daniel Drew | | | | | 3478 | 75 | | |
| | | H. Whiteman | | | | | 1800 | | | |
| | | J. Mandell & Son | | | | | 178 | 50 | | |
| | | Andrew Merton | 1 | 25 | | | 1740 | | | |
| | | J. W. Ellis | 1 | 75 | | | 3475 | | | |
| | | J. Mershon | 1 | | | | 2650 | | | |
| | | L. Johnson | 1 | 25 | | | 15490 | | | |
| | | H. Dowling | | | | | 3200 | | | |
| | | J. W. Webster | 2 | 25 | | | 8604 | | | |
| | | W. Holmes & Co | | | | | 164 | | | |
| | | H. Andrews | 1 | 25 | | | 3745 | | | |
| | | Lyman Trumbull | | | | | 5864 | | | |
| | | W. O. Lunt | | | | | 879 | | | |
| | | Marshall Field & Co. | 2 | 75 | | | 17450 | | | |
| | | S. H. Karner | | 75 | | | 5687 | 50 | | |
| | | W. J. Little | | | | | 4700 | | | |
| | | J. V. Farwell | 2 | | | | 6950 | | | |
| | | G. O. Bishop | | | | | 3695 | | | |
| | | J. Burchard | | | | | 2780 | | | |
| | | M. Amos | | | | | 675 | | | |
| | | Certificate Dep't, Mrs. L. M. Stevens | | | | | | | 200 | |
| | | " " D. D. Potter | | | | | | | 500 | |
| | | " " E. R. Shaw | | | | | | | 300 | |
| | | J. Mershon, Col. No. 2 | 1 | 20 | 1198 | 80 | | | | |
| | | Valley National Bank, " No. 7 | 2 | | 1998 | | | | | |
| | | " " " " No. 11 | | 75 | 769 | | | | | |
| | | " " " " No. 15 | | 55 | 549 | 45 | | | | |
| | | " " " " No. 16 | 1 | 20 | 1198 | 80 | | | | |
| | | Fifth National Bank, " No. 12 | 1 | 85 | 1858 | 15 | | | | |
| | | " " " " No. 13 | 8 | 75 | 8733 | 25 | | | | |
| | | Ninth National Bank, " No. 22 | 8 | 50 | 8491 | 50 | | | | |
| | | Fourth Nat. Bank, Buffalo, " No. 9 | 1 | 50 | 1516 | 88 | | | | |
| | | " " " " " No. 10 | | 50 | 539 | 50 | | | | |
| | | F. G. Schofield, Providence " No. 18 | 4 | 20 | 4195 | 80 | | | | |
| | | John Davis & Co., Dis. No. 2 | | | 1000 | | | | | |
| | | E. B. Hoswell, " No. 5 | | | 3000 | | | | | |
| | | F. Durell, " No. 7 | | | 1500 | | | | | |
| | | J. Hixon, " No. 16 | | | 12000 | | | | | |
| | | Henry Troyman " No. 20 | | | 4500 | | | | | |
| | | | 63 | 35 | 53049 | 13 | 98551 | 25 | 6849 | 20 |
| | | Deposits | | | | | | | 98551 | 25 |
| | | Bills Rec. and Int. | | | | | | | 53049 | 13 |
| | | Col. and Ex. | | | | | | | 63 | 35 |
| | | Total Receipts | | | | | | | 158512 | 93 |

| | | | Loans and Discounts. | Checks. | | General. |
|---|---|---|---|---|---|---|
| 19— | | | | | | |
| Jan. | 1 | Samuel Beem, $275, $125 | | 400 | | |
| | | Henry Trowbridge, $1200 | | 1200 | | |
| | | J. W. Strong, $275.50 | | 275 | 50 | |
| | | J. Mershon, $200, $24.75 | | 224 | 75 | |
| | | J. Lewis, $50 | | 50 | | |
| | | L. Johnson, $490.50, $19.75 | | 510 | 25 | |
| | | W. Holmes & Co., $2440 | | 2440 | | |
| | | G. O. Bishop, $400 | | 400 | | |
| | | W. J. Little, $125 | | 125 | | |
| | | J. V. Farwell, $375.50 | | 375 | 50 | |
| | | H. Andrews, $142 | | 142 | | |
| | | Lyman Trumbull, $801 | | 801 | | |
| | | S. H. Karner, $12 | | 12 | | |
| | | | | 6956 | | |
| | | Checks | | | | 6956 |
| | | Total Payments | | | | 6956 |

| | | | | Loans and Dis. | Checks. | | General. | |
|---|---|---|---|---|---|---|---|---|
| 19— | | | | | | | | |
| Feb. | 1 | E. B. Hoswell, Loans & Dis. | 3000 | | | | | |
| | | | 22 | 2978 | | | | |
| | | Henry Trowbridge, $48.50, $77 25 | | | 125 | 75 | | |
| | | J. Lewis, $27.50 | | | 27 | 50 | | |
| | | Daniel Drew, $1000, $427.60, $118.35 | | | 1545 | 95 | | |
| | | J. W. Ellis, $860, $314.20, $84.40 | | | 1258 | 60 | | |
| | | H. Dowling, $129.40 | | | 129 | 40 | | |
| | | J. W. Webster, $115, $60 | | | 175 | | | |
| | | J. Mandell & Son, $347.50 | | | 347 | 50 | | |
| | | H. Whiteman, $862.40, $416.80 | | | 1279 | 20 | | |
| | | L. Johnson, $4625.80, $180.40, $962.30 | | | 5768 | 50 | | |
| | | J. Mershon, $496.20, $11.63, $1000, $923.20 | | | 2431 | 03 | | |
| | | Lyman Trumbull, $620.40, $87.40 | | | 707 | 80 | | |
| | | W. Holmes & Co., $214.60, $185.20, $820 | | | 1219 | 80 | | |
| | | J Harris, $170 | | | 170 | | | |
| | | S. H. Karner, $216.80, $435.20, $1840 | | | 2492 | | | |
| | | Marshall Field & Co., $1860.40, $1654.88, $2800, $9600 | | | 15915 | 28 | | |
| | | J. V. Farwell, $1400, $112 60, $945, $3600 | | | 6057 | 60 | | |
| | | W. J. Little, $75.25, $46.80, $250 | | | 372 | 05 | | |
| | | G. O. Bishop, $342, $60 | | | 402 | | | |
| | | J. Burchard, $118.60, $25, $1283.20 | | | 1426 | 80 | | |
| | | | | 2978 | 41851 | 76 | | |
| | | Checks | | | | | 41851 | 76 |
| | | Loans and Discounts | | | | | 2978 | |
| | | Total payments | | | | | 44829 | 76 |

| | | | | | Loans and Dis. | | Checks. | | General. | |
|---|---|---|---|---|---|---|---|---|---|---|
| 19— | | | | | | | | | | |
| Mar. | 1 | A. B. Stilwell, Loans and Discounts | 3500 | | | | | | | |
| | | | 45 | 50 | 3454 | 50 | | | | |
| | | Julius Bauer, " " | 3000 | | | | | | | |
| | | | 43 | 67 | 2956 | 33 | | | | |
| | | Geo. L. Crosby, " " | 8450 | | | | | | | |
| | | | 70 | 42 | 8379 | 58 | | | | |
| | | I. W. Phillips, " " | 2500 | | | | | | | |
| | | | 20 | 83 | 2479 | 17 | | | | |
| | | A. C. Whiting, " " | 12000 | | | | | | | |
| | | | 77 | 33 | 11922 | 67 | | | | |
| | | A. S. Vantress, " " | 6000 | | | | | | | |
| | | | 50 | | 5950 | | | | | |
| | | J. L. Lathrop, " " | 8000 | | | | | | | |
| | | | 70 | 22 | 7929 | 78 | | | | |
| | | M. L. Pierson, " " | 4500 | | | | | | | |
| | | | 25 | | 4475 | | | | | |
| | | Lyman Trumbull, $964.80, $1732.40, $1500 | | | | | 4197 | 20 | | |
| | | G. O. Bishop, $3600, $1285.40, $175.20 | | | | | 5060 | 60 | | |
| | | W. Holmes & Co , $4850.75, $865.25, $940.50 | | | | | 6656 | 50 | | |
| | | S. H. Karner, $478.75, $816.50, $2546.30, $501.25 | | | | | 4342 | 80 | | |
| | | H. Andrews, $275 | | | | | 275 | | | |
| | | J. Harris, $186.40, $250 | | | | | 436 | 40 | | |
| | | J. V. Farwell, $15000, $3678.90 | | | | | 18678 | 90 | | |
| | | H. Dowling, $78 | | | | | 78 | | | |
| | | Marshall Field & Co., $4368.50, $18250, $5000 | | | | | 27618 | 50 | | |
| | | Daniel Drew, $3785.20 | | | | | 3785 | 20 | | |
| | | J. W. Ellis, $240 | | | | | 240 | | | |
| | | L. Johnson, $460, $325.80 | | | | | 785 | 80 | | |
| | | J. Mandell & Son, $3000, $485.30 | | | | | 3485 | 30 | | |
| | | H. Whiteman, $1600, $245 | | | | | 1845 | | | |
| | | Andrew Merton, $150, $214.80 | | | | | 364 | 80 | | |
| | | Henry Miller, $3470, $305 | | | | | 3775 | | | |
| | | M. Amos, $275, $400 | | | | | 675 | | | |
| | | W. J. Little, $6500 | | | | | 6500 | | | |
| | | J. W. Webster, $125.70, $388.04 | | | | | 513 | 74 | | |
| | | J. Burchard, $679.80 | | | | | 679 | 80 | | |
| | | W. O. Lunt, $413.20, $865 | | | | | 1278 | 20 | | |
| | | J. Lewis, $47, $88 | | | | | 135 | | | |
| | | Samuel Beem, $2875 | | | | | 2875 | | | |
| | | Henry Trowbridge, $1240 | | | | | 1240 | | | |
| | | J. W. Strong, $1680 | | | | | 1680 | | | |
| | | H. Worthington, $1243.20 | | | | | 1243 | 20 | | |
| | | J. Mershon, $2005 | | | | | 2005 | | | |
| | | Cert. Cks., H. Whiteman | | | | | | | 128 | 50 |
| | | " " Samuel Beem | | | | | | | 200 | |
| | | | | | 47547 | 03 | 100449 | 94 | 328 | 50 |
| | | Checks | | | | | | | 100449 | 94 |
| | | Loans and Discounts | | | | | | | 47547 | 03 |
| | | Total payments | | | | | | | 148325 | 47 |

| | | L. F. | | Deposits. | | General. | | Total. | |
|---|---|---|---|---|---|---|---|---|---|
| 19— | | | | | | | | | |
| Dec. | 8 | 260 | To Capital Stock, Received on Installment | | | 35000 | | | |
| " | 9 | 260 | " " " " " " | | | 85000 | | | |
| " | 10 | 260 | " " " " " " | | | 50000 | | | |
| " | 12 | 260 | " " " " " " | | | 20000 | | | |
| " | 12 | 262 | " Interest On past due Installment | | | 8 | 88 | | |
| " | 13 | 260 | " Cap. Stock, Received on Installment | | | 10000 | | | |
| " | 13 | 262 | " Interest, On past due Installment | | | 6 | 67 | 200015 | 55 |
| | | | | | | | | 200015 | 55 |
| 19— | | | | | | | | | |
| Jan. | 1 | | To Balance, On hand | | | | | 94045 | 55 |
| | | 262 | " Ninth Nat. Bank, New York Dft., No. 1 | | | 800 | | | |
| | | ✓ | " L. Johnson, Loans and Discounts | 893 | 40 | | | | |
| | | ✓ | " H. Whiteman, " " " | 986 | | | | | |
| | | ✓ | " J. Mandell & Son, " " " | 1984 | 33 | | | | |
| | | 262 | " Discount, Per Dis. Reg. | | | 35 | 27 | | |
| | | 262 | " Col. and Ex., " " " | | | 1 | | | |
| | | 262 | " " " " " R. T. C. B. | | | 6 | 50 | | |
| | | ✓ | " Deposits, " " " | 141565 | | | | | |
| | | 260 | Total Deposits | | | 145428 | 73 | 146271 | 50 |
| | | | | | | | | 240317 | 05 |
| 19— | | | | | | | | | |
| Feb. | 1 | | To Balance, On hand, | | | | | 157932 | 65 |
| | | 260 | " Circulation, Rec'd from Comptroller | | | 90000 | | | |
| | | 263 | " First Nat. Bank, Detroit, Draft No. 1 | | | 1280 | | | |
| | | 263 | " " " " " " No. 2 | | | 920 | | | |
| | | 263 | " Valley National Bank, " No. 3 | | | 540 | | | |
| | | 262 | " Ninth National Bank, " No. 4 | | | 1650 | | | |
| | | ✓ | " W. J. Little, Col. No. 1 | 449 | 50 | | | | |
| | | ✓ | " W. O. Lunt, " No. 4 | 1274 | 59 | | | | |
| | | 262 | " Ninth National Bank, " No. 5 | | | 999 | | | |
| | | 262 | " " " " " No. 6 | | | 1838 | 25 | | |
| | | 263 | " Valley National Bank, " No. 8 | | | 3996 | | | |
| | | 261 | " Loans & Disc., F. I. Bennett&Co. No. 1 | | | 900 | | | |
| | | 261 | " " " " S. T. Kimball, No. 3 | | | 2000 | | | |
| | | ✓ | " Marshall Field & Co., Loans & Disc'ts. | 1977 | 56 | | | | |
| | | ✓ | " J. V. Farwell, " " " | 3936 | 89 | | | | |
| | | ✓ | " J. Mershon, " " " | 1489 | | | | | |
| | | ✓ | " J. Lewis, " " " | 4444 | 50 | | | | |
| | | 262 | " Discount, Per Dis. Reg. | | | 167 | 55 | | |
| | | 262 | " Col. and Ex., " " " | | | 6 | 50 | | |
| | | 262 | " Col. and Ex., " R. T. C. B. | | | 29 | 10 | | |
| | | ✓ | " Deposits, " " " " " | 94742 | 10 | | | | |
| | | 260 | Total Deposits | | | 108314 | 14 | 212640 | 54 |
| | | | | | | | | 370573 | 19 |

| | | L. F. | | Deposits. | | General. | | Total. | |
|---|---|---|---|---|---|---|---|---|---|
| 19— | | | | | | | | | |
| Dec. | 15 | 260 | By Fur. & Fix., Vault H. S. & L. Co. | | | 2000 | | | |
| " | 18 | 260 | " " " " Masons' bill for Vault | | | 845 | | | |
| " | 20 | 260 | " " " " Office counters | | | 1475 | | | |
| " | 22 | 262 | " Expense, Books and Stationery | | | 275 | | | |
| " | 24 | 260 | " U. S. Bonds, 100 5'20 $1000 ea. @ 101¾ | | | 101375 | | 105970 | |
| | | | " Balance On hand | | | | | 94045 | 55 |
| | | | | | | | | 200015 | 55 |
| 19— | | | | | | | | | |
| Jan. | 1 | 262 | By Ninth Nat. Bank, N. Y., Remitted | | | 20000 | | | |
| | | 263 | " Valley Nat. Bank, St. Louis, " | | | 10000 | | | |
| | | 263 | " Fifth Nat. Bank, Pittsburgh, " | | | 30000 | | | |
| | | 263 | " First Nat. Bank, Detroit, " | | | 10000 | | | |
| | | 262 | " Ninth Nat. Bank, New York, " | | | 645 | 80 | | |
| | | 263 | " Fifth Nat. Bank, Pittsburgh, | | | 418 | 60 | | |
| | | 263 | " First National Bank, Detroit, " | | | 227 | 60 | | |
| | | 263 | " Valley Nat. Bank, St. Louis, " | | | 236 | 40 | | |
| | | 261 | " Loans & Disc., F. I. Bennett & Co., No. 1 | | | 900 | | | |
| | | 261 | " " " " John Davis & Co., No. 2 | | | 1000 | | | |
| | | 261 | " " " " S. T. Kimball, No. 3 | | | 2000 | | | |
| | | ✓ | " Deposits, Per P. T. C. B. | 6956 | | | | | |
| | | 260 | Total Deposits | | | 6956 | | 82384 | 40 |
| | | | " Balance On hand | | | | | 157932 | 65 |
| | | | | | | | | 240317 | 05 |
| 19— | | | | | | | | | |
| Feb. | 1 | 262 | By Ninth Nat. Bank, N. Y., Remitted | | | 436 | 80 | | |
| | | 263 | " Fifth Nat. Bank, Pittsburgh, " | | | 213 | 60 | | |
| | | 263 | " Valley Nat. Bank, St. Louis, " | | | 427 | 35 | | |
| | | 263 | " First Nat. Bank, Detroit, Dis. No. 1 | | | 899 | 10 | | |
| | | 262 | " Ninth Nat. Bank, N. Y., " No. 3 | | | 1998 | | | |
| | | 262 | " Col. and Ex., On above Discounts | | | 2 | 90 | | |
| | | 261 | " Loans and Disc., J. Collins, No. 4 | | | 2000 | | | |
| | | 261 | " " " " E. B. Hoswell, No. 5 | | | 3000 | | | |
| | | 261 | " " " " J. Porter, No. 6 | | | 4000 | | | |
| | | 261 | " " " " F. Durell, No. 7 | | | 1500 | | | |
| | | 261 | " " " " C. W. Parsons, No. 8 | | | 4500 | | | |
| | | ✓ | " Deposits, Per P. T. C. B. | 41851 | 76 | | | | |
| | | 260 | Total Deposits | | | 41851 | 76 | 60829 | 51 |
| | | | " Balance On hand | | | | | 309743 | 68 |
| | | | | | | | | 370573 | 19 |

| | | L. F. | | Deposits. | | General. | | Total. | |
|---|---|---|---|---|---|---|---|---|---|
| 19— | | | | | | | | | |
| Mar. | 1 | | To Balance On hand | | | | | 309743 | 68 |
| | | 262 | " Ninth National Bank, Dft. No. 9 | | | 450 | | | |
| | | 263 | " Valley National Bank, " No. 7 | | | 625 | | | |
| | | 263 | " First Nat. Bank, Detroit, " No. 6 | | | 384 | 20 | | |
| | | 263 | " Valley National Bank, " No. 8 | | | 650 | | | |
| | | 263 | " Valley National Bank, " No. 9 | | | 2000 | | | |
| | | 263 | " Fifth Nat. Bank, Pittsburgh, " No. 5 | | | 500 | | | |
| | | 263 | " First Nat. Bank, Detroit, " No. 10 | | | 1240 | | | |
| | | 261 | " Certified Checks, L. Johnson | | | 465 | 30 | | |
| | | 261 | " " " H. Whiteman | | | 128 | 50 | | |
| | | 261 | " " " Samuel Beem | | | 200 | | | |
| | | 261 | " " " Lyman Trumbull | | | 350 | | | |
| | | 261 | " " " J. Mershon | | | 400 | | | |
| | | 261 | " Certific's of Deposit, Mrs. L. M. Stevens | | | 200 | | | |
| | | 261 | " " " D. D. Potter | | | 500 | | | |
| | | 261 | " " " E. R. Shaw | | | 300 | | | |
| | | ✓ | " J. Mershon, Col. No. 2 | 1198 | 80 | | | | |
| | | 263 | " Valley National Bank, " No. 7 | | | 1998 | | | |
| | | 263 | " " " " " No. 11 | | | 769 | | | |
| | | 263 | " " " " " No. 15 | | | 549 | 45 | | |
| | | 263 | " " " " " No. 16 | | | 1198 | 80 | | |
| | | 263 | " Fifth National Bank, " No. 12 | | | 1858 | 15 | | |
| | | 263 | " " " " " No. 13 | | | 8733 | 25 | | |
| | | 262 | " Ninth National Bank, " No. 22 | | | 8491 | 50 | | |
| | | 262 | " Ninth National Bank, Dft. No. 10 | | | 2056 | 38 | | |
| | | 262 | " " " " " No. 11 | | | 4195 | 80 | | |
| | | ✓ | " H. Worthington, Col. No. 3 | 1798 | 20 | | | | |
| | | 261 | " Loans & Disc., Jn. Davis & Co., No. 2 | | | 1000 | | | |
| | | 261 | " " " E. B. Hoswell, No. 5 | | | 3000 | | | |
| | | 261 | " " " F. Durell, No. 7 | | | 1500 | | | |
| | | 261 | " " " J. Hixon, No. 16 | | | 12000 | | | |
| | | 261 | " " " H. Troyman, No. 20 | | | 4500 | | | |
| | | 261 | " " " J. Collins, No. 4 | | | 2000 | | | |
| | | 261 | " " " C. W. Parsons, No. 8 | | | 4500 | | | |
| | | ✓ | " C. O. Godfrey, Loans and Dis. | 1972 | | | | | |
| | | ✓ | " J. V. Farwell, " " | 4632 | 58 | | | | |
| | | ✓ | " L. Johnson, " " | 3357 | 50 | | | | |
| | | ✓ | " G. O Bishop, " " | 2958 | | | | | |
| | | ✓ | " J. Mandell & Son, " " | 9348 | 15 | | | | |
| | | ✓ | " J. Mershon, " " | 4700 | 27 | | | | |
| | | ✓ | " Marshall Field & Co., " " | 16078 | 93 | | | | |
| | | 262 | " Discount, Per Dis. Reg. | | | 978 | 27 | | |
| | | 262 | " Col. and Ex., " " " | | | 76 | 10 | | |
| | | 262 | " " " " " R T. C B. | | | 63 | 35 | | |
| | | ✓ | " Deposits | 98551 | 25 | | | | |
| | | 260 | Total Deposits | | | 150595 | 68 | 218456 | 73 |
| | | | | | | | | 528200 | 41 |

| 19— | | L. F. | | Deposits. | | General. | | Total. | |
|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | 260 | By U. S. Bonds, 10 10/40 $1000 @ 101⅛ | | | 10112 | 50 | | |
| | | ✓ | " L. Johnson, Cert. Checks | 465 | 30 | | | | |
| | | ✓ | " H. Whiteman, " " | 128 | 50 | | | | |
| | | ✓ | " Samuel Beem, " " | 200 | | | | | |
| | | ✓ | " Lyman Trumbull, " " | 350 | | | | | |
| | | ✓ | " J. Mershon, " " | 400 | | | | | |
| | | 262 | " Ninth National Bank, Remitted | | | 4862 | 35 | | |
| | | 263 | " Valley National Bank, " | | | 2643 | 85 | | |
| | | 263 | " First National Bank, Detroit, " | | | 987 | 35 | | |
| | | 263 | " Fifth National Bank, " | | | 1165 | 38 | | |
| | | 261 | " Certified Checks, H. Whiteman | | | 128 | 50 | | |
| | | 261 | " " " Samuel Beem | | | 200 | | | |
| | | 263 | " Fifth Nat. Bank, Pittsburgh, Col. No. 3 | | | 1798 | 20 | | |
| | | 263 | " Valley National Bank, Dis. No. 4 | | | 1998 | | | |
| | | 262 | " Ninth National Bank, " No. 8 | | | 4495 | 50 | | |
| | | 262 | " Col. and Ex., On above Discounts | | | 6 | 50 | | |
| | | 261 | " Loans & Disc., C. O. Godfrey, No. 9 | | | 2000 | | | |
| | | 261 | " " " J. Collins, No. 10 | | | 3500 | | | |
| | | 261 | " " " G. W. Purington, No. 11 | | | 4650 | | | |
| | | 261 | " " " D. Appleton&Co., No. 12 | | | 3000 | | | |
| | | 261 | " " " A. B. Wilson, No. 13 | | | 8450 | | | |
| | | 261 | " " " W. Knapp, No. 14 | | | 9500 | | | |
| | | 261 | " " " S. Morton, No. 15 | | | 2500 | | | |
| | | 261 | " " " J. Hixon, No. 16 | | | 12000 | | | |
| | | 261 | " " " A. R. Dunton, No. 17 | | | 6000 | | | |
| | | 261 | " " " H. Walker, No. 18 | | | 8000 | | | |
| | | 261 | " " " G. O. Bishop, No. 19 | | | 3000 | | | |
| | | 261 | " " " H. Troyman, No. 20 | | | 4500 | | | |
| | | 261 | " " " Geo. Wells, No. 21 | | | 9450 | | | |
| | | 261 | " " " Louis Fisher, No. 22 | | | 4800 | | | |
| | | 261 | " " " J. Price, No. 23 | | | 16250 | | | |
| | | 262 | " Interest, On above Discounts | | | 48 | 83 | | |
| | | ✓ | " Deposits, Per P. T. C. B. | 100449 | 94 | | | | |
| | | 260 | Total Deposits | | | 101993 | 74 | 228040 | 76 |
| | | | " Balance On hand | | | | | 300159 | 71 |
| | | | | | | | | 528200 | 41 |

## Capital Stock.

| 19— | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Dec. | 8 | By Cash | 256 | 35000 | |
| | | | | " | 9 | " " | 256 | 85000 | |
| | | | | " | 10 | " " | 256 | 50000 | |
| | | | | " | 12 | " " | 256 | 20000 | |
| | | | | " | 13 | " " | 256 | 10000 | |

## Circulation.

| 19— | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Feb. | 1 | By Cash | 256 | 90000 | |

## U. S. Bonds.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Dec. | 24 | To Cash, 101⅛ | 257 | 101375 | | | | | | | |
| Mar. | 1 | " " 101⅛ | 259 | 10112 | 50 | | | | | | |

## Cash.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Dec. | 31 | To Sunds. | 256 | 200015 | 55 | Dec. | 31 | By Sunds. | 257 | 105970 | |
| Jan. | 1 | " " | 256 | 146271 | 50 | Jan. | 1 | " " | 257 | 82384 | 40 |
| Feb. | 1 | " " | 256 | 212640 | 54 | Feb. | 1 | " " | 257 | 60829 | 51 |
| Mar. | 1 | " " | 258 | 218456 | 73 | Mar. | 1 | " " | 259 | 228040 | 70 |

## Furniture and Fixtures.

| 19— | | | | | 19— | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Dec. | 15 | To Cash | 257 | 2000 | | | | | |
| " | 18 | " " | 257 | 845 | | | | | |
| " | 20 | " " | 257 | 1475 | | | | | |

## Deposits.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To Checks | 257 | 6956 | | Jan. | 1 | By Deposits | 256 | 145428 | 73 |
| Feb. | 1 | " " | 257 | 41851 | 76 | Feb. | 1 | " " | 256 | 108314 | 14 |
| Mar. | 1 | " " | 259 | 101993 | 74 | Mar. | 1 | " " | 258 | 150595 | 68 |

## Loans and Discounts.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To F.I. Bennett & Co., | No. 1 | 257 | 900 | Feb. | 1 | By F.I. Bennett & Co., | No. 1 | 256 | 900 |
| " | 1 | " John Davis & Co. | " 2 | 257 | 1000 | " | 1 | " S. T. Kimball, | " 3 | 256 | 2000 |
| " | 1 | " S. T. Kimball, | " 3 | 257 | 2000 | Mar. | 1 | " John Davis & Co., | " 2 | 258 | 1000 |
| Feb. | 1 | " J. Collins, | " 4 | 257 | 2000 | " | 1 | " E. B. Hoswell, | " 5 | 258 | 3000 |
| " | 1 | " E. B. Hoswell, | " 5 | 257 | 3000 | " | 1 | " F. Durell, | " 7 | 258 | 1500 |
| " | 1 | " J. Porter, | " 6 | 257 | 4000 | " | 1 | " J. Hixon, | " 16 | 258 | 12000 |
| " | 1 | " F. Durell, | " 7 | 257 | 1500 | " | 1 | " H. Troyman, | " 20 | 258 | 4500 |
| " | 1 | " C. W. Parsons, | " 8 | 257 | 4500 | " | 1 | " J. Collins, | " 4 | 258 | 2000 |
| Mar. | 1 | " C. O. Godfrey, | " 9 | 259 | 2000 | " | 1 | " C. W. Parsons, | " 8 | 258 | 4500 |
| " | 1 | " J. Collins, | " 10 | 259 | 3500 | | | | | | |
| " | 1 | " G. W. Purington, | " 11 | 259 | 4650 | | | | | | |
| " | 1 | " D. Appleton, | " 12 | 259 | 3000 | | | | | | |
| " | 1 | " A. B. Wilson, | " 13 | 259 | 8450 | | | | | | |
| " | 1 | " W. Knapp, | " 14 | 259 | 9500 | | | | | | |
| " | 1 | " S. Morton, | " 15 | 259 | 2500 | | | | | | |
| " | 1 | " J. Hixon, | " 16 | 259 | 12000 | | | | | | |
| " | 1 | " A. R. Dunton, | " 17 | 259 | 6000 | | | | | | |
| " | 1 | " H. Walker, | " 18 | 259 | 8000 | | | | | | |
| " | 1 | " G. O. Bishop, | " 19 | 259 | 3000 | | | | | | |
| " | 1 | " H. Troyman, | " 20 | 259 | 4500 | | | | | | |
| " | 1 | " Geo. Wells, | " 21 | 259 | 9450 | | | | | | |
| " | 1 | " Louis Fisher, | " 22 | 259 | 4800 | | | | | | |
| " | 1 | " J. Price, | " 23 | 259 | 16250 | | | | | | |

## Certified Checks.

| 19— | | | | | | | 19— | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To H. Whiteman | | 259 | 128 | 50 | Mar. | 1 | By L. Johnson | 258 | 465 | 30 |
| " | 1 | " Samuel Beem | | 259 | 200 | | " | 1 | " H. Whiteman | 258 | 128 | 50 |
| | | | | | | | " | 1 | " Samuel Beem | 258 | 200 | |
| | | | | | | | " | 1 | " Lyman Trumbull | 258 | 350 | |
| | | | | | | | " | 1 | " J. Mershon | 258 | 400 | |

## Certificates of Deposit.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Mar. | 1 | By Mrs. L. M. Stevens | | 258 | 200 |
| | | | | | | " | 1 | " D. D. Potter | | 258 | 500 |
| | | | | | | " | 1 | " E. R. Shaw | | 258 | 300 |

## EXPENSE.

| 19— | | | | | | | 19— | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dec. | 22 | To Cash | 257 | 275 | | | | | | | | | | |

## DISCOUNT.

| 19— | | | | | | | 19— | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Jan. | 1 | By Cash, Dis. Reg. | 256 | 35 | 27 |
| | | | | | | | Feb. | 1 | " " " | 256 | 167 | 55 |
| | | | | | | | Mar. | 1 | " " " | 258 | 978 | 27 |

## INTEREST.

| 19— | | | | | | | 19— | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mar. | 1 | To Cash | 259 | 48 | 83 | | Dec. | 12 | By Cash | 256 | 5 | 88 |
| | | | | | | | | 13 | " " | 256 | 6 | 67 |

## COLLECTION AND EXCHANGE.

| 19— | | | | | | | 19— | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Feb. | 1 | To Sunds. | 257 | 2 | 90 | | Jan. | 1 | By Cash, Dis. Reg. | 256 | 1 | 00 |
| Mar. | 1 | " " | 259 | 6 | 50 | | " | 1 | " " R. T. C. B. | 256 | 6 | 50 |
| | | | | | | | Feb. | 1 | " " Dis. Reg. | 256 | 6 | 50 |
| | | | | | | | " | 1 | " " R. T. C. B. | 256 | 29 | 10 |
| | | | | | | | Mar. | 1 | " " Dis. Reg. | 258 | 76 | 10 |
| | | | | | | | " | 1 | " " R. T. C. B. | 258 | 63 | 35 |

## NINTH NATIONAL BANK, NEW YORK.

| 19— | | | | | | | 19— | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To Remittance | 257 | 20000 | | | Jan. | 1 | By Draft, No. 1 | 256 | 800 | |
| " | 1 | " " | 257 | 645 | 80 | | Feb. | 1 | " " No. 4 | 256 | 1650 | |
| Feb. | 1 | " " | 257 | 436 | 80 | | " | 1 | " Col., No. 5 | 256 | 999 | |
| " | 1 | " Dis. No. 3 | 257 | 1998 | | | " | 1 | " " No. 6 | 256 | 1838 | 25 |
| Mar. | 1 | " Remittance | 259 | 4862 | 35 | | Mar. | 1 | " Draft, No. 9 | 258 | 450 | |
| " | 1 | " Dis. No. 8 | 259 | 4495 | 50 | | " | 1 | " Col., No. 22 | 258 | 8491 | 50 |
| | | | | | | | " | 1 | " Draft, No. 10 | 258 | 2056 | 38 |
| | | | | | | | " | 1 | " " No. 11 | 258 | 4195 | 80 |

## Valley National Bank, St. Louis.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To Remittance | 257 | 10000 | | Feb. | 1 | By Draft, No. 3 | 256 | 540 | |
| " | 1 | " " | 257 | 236 | 40 | " | 1 | " Col., No. 8 | 256 | 3996 | |
| Feb. | 1 | " " | 257 | 427 | 35 | Mar. | 1 | " Draft, No. 7 | 258 | 625 | |
| Mar. | 1 | " " | 259 | 2643 | 85 | " | 1 | " " No. 8 | 258 | 650 | |
| " | 1 | " Dis. No. 4 | 259 | 1998 | | " | 1 | " " No. 9 | 258 | 2000 | |
| | | | | | | " | 1 | " Col., No. 7 | 258 | 1998 | |
| | | | | | | " | 1 | " " No. 11 | 258 | 769 | |
| | | | | | | " | 1 | " " No. 15 | 258 | 549 | 45 |
| | | | | | | " | 1 | " " No. 16 | 258 | 1198 | 80 |

## Fifth National Bank, Pittsburgh.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To Remittance | 257 | 30000 | | Mar. | | By Draft, No. 5 | 258 | 500 | |
| " | 1 | " " | 257 | 418 | 60 | " | | " Col., No. 12 | 258 | 1858 | 15 |
| Feb. | 1 | " " | 257 | 213 | 60 | " | 1 | " " No. 13 | 258 | 8733 | 25 |
| Mar. | 1 | " " | 259 | 1165 | 38 | | | | | | |
| " | 1 | " Col. No. 2 | 259 | 1798 | 20 | | | | | | |

## First National Bank, Detroit.

| 19— | | | | | | 19— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 1 | To Remittance | 257 | 10000 | | Feb. | 1 | By Draft, No. 1 | 256 | 1280 | |
| " | 1 | " " | 257 | 227 | 60 | " | 1 | " " No. 2 | 256 | 920 | |
| Feb. | 1 | " Dis. No. 1 | 257 | 899 | 10 | Mar. | 1 | " " No. 6 | 258 | 384 | 20 |
| Mar. | 1 | " Remittance | 259 | 987 | 35 | " | 1 | " " No. 10 | 258 | 1240 | |

| NAMES. | Balance. | JANUARY 1. Deposits. | Check in Detail. | Total Checks. | Balance. | FEBRUARY 1. Deposits. | Checks in Detail. | Total Checks. | Balance. | MARCH 1. Deposits. | Checks in Detail. | Total Checks. | Balance. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Amos, M. | | | | | | 5642 | | | 5642 | 675 | 275<br>400 | 675 | 5642 |
| Andrews, H. | | 16000 | 142 | 142 | 15858 | 4280 | | | 20138 | 3745 | 275 | 275 | 23608 |
| Bishop, G. O. | | 12000 | 400 | 400 | 11600 | 1500 | 342 60 | 402 | 12698 | 3695<br>2958 | 3600<br>128540<br>17520 | 6060 60 | 14290 40 |
| Beem, Samuel | | 2700 | 275<br>125 | 400 | 2300 | 1400 | | | 3700 | 800 | 2875<br>200 | 3075 | 1425 |
| Burchard, J | | | | | | 4280 | 11860<br>25<br>128320 | 142680 | 28532 0 | 2780 | 679 80 | 679 80 | 4903 40 |
| Dowling, H. | | 1600 | | | 1600 | 1200 | 129 40 | 129 40 | 2670 60 | 3200 | 78 | 78 | 5792 60 |
| Drew, Daniel | | 2875 | | | 2875 | 3000 | 1000<br>42760<br>11835 | 154595 | 43294 05 | 3478 75 | 378520 | 378520 | 4022 60 |
| Ellis, J. W. | | 4100 | | | 4100 | 3400 | 860<br>31420<br>8440 | 125860 | 6141 40 | 3475 | 240 | 240 | 9376 40 |
| Farwell, J. V. | | 24000 | 375 50 | 375 50 | 23624 50 | 3936 89<br>10430 | 1400<br>11260<br>945<br>3600 | 60576 | 31953 79 | 463258<br>6950 | 15000<br>367890 | 186790 | 24837 47 |
| Field, Co, M. | | 32500 | | | 32500 | 19775 6<br>24685 | 156040<br>165488<br>2800<br>9800 | 47552 8 | 43247 28 | 16078 98<br>17452 | 434850<br>18250<br>5000 | 276150 | 49157 71 |
| Godfrey, C. O. | | | | | | | | | | 1972 | | | 1972 |
| Harris, J. | | 900 | | | 900 | | 170 | 170 | 730 | | 186 40<br>250 | 436 40 | 293 60 |
| Holmes & Co. W. | | 8000 | 2440 | 2440 | 5560 | | 24460<br>18520<br>820 | 12195 0 | 43402 0 | 164 | 4850 75<br>86325<br>9850 | 6656 50 | 2152 50 |
| Johnson, L. | | 893 40<br>15000 | 490 50<br>1975 | 5102 5 | 15383 15 | 3685 75 | 4625 80<br>18040<br>9623 0 | 37645 0 | 13306 40 | 9357 50<br>5490 | 460<br>32580<br>4650 | 1251 10 | 36896 80 |

| NAMES. | Balance. | JANUARY 1. Deposits. | Check in Detail. | Total Checks. | Balance. | FEBRUARY 1. Deposits. | Checks in Detail. | Total Checks. | Balance. | MARCH 1. Deposits. | Checks in Detail. | Total Checks | Balance. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Karner, S. K. | | 2500 | 12 | 12 | 2488 | | 216 80<br>433 20<br>1840 | 2492 | 4 | 4687 50 | 47875<br>87430<br>254 38<br>301 25 | 4342 80 | 130 70 |
| Little, W. J. | | 4000 | 135 | 125 | 3875 | 449 50<br>140 | 75 25<br>46 80<br>250 | 372 05 | 4092 45 | 4700 | 6500 | 6500 | 2292 45 |
| Lewis, J. | | 540 | 50 | 50 | 490 | 4444 50<br>150 | 2750 | 2750 | 5057 | 475 | 47<br>88 | 135 | 5397 |
| Lunt, W. O. | | | | | | 1274 50 | | | 1274 50 | 879 | 413 20<br>865 | 1278 20 | 875 30 |
| Mandell & Son, J. | | 19843 3 | | | 19843 3 | 1965 | 3475 0 | 3475 0 | 21101 83 | 9348 15<br>178 50 | 3000<br>4853 0 | 3485 30 | 27143 18 |
| Miller, Henry | | | | | | 5287 | | | 5287 | | 3470<br>305 | 3775 | 1572 |
| Merton, Andrew | | | | | | | | | | 1740 | 150.<br>2148 0 | 3648 0 | 1375 20 |
| Mershon, J. | | 1000 | 200<br>24 75 | 22475 | 775 25 | 1489<br>1260 | 496 20<br>11 63<br>1000<br>923 20 | 2431 03 | 1093 22 | 4700 27<br>1198 80<br>2650 | 2005<br>400 | 2405 | 7237 29 |
| Strong, J. W. | | 1250 | 275 50 | 275 50 | 974 50 | 1000 | | | 1974 50 | 2450 | 1680 | 1680 | 2744 50 |
| Trowbridge, Henry | | 2500 | 1200 | 1200 | 1300 | 185 75 | 48 50<br>77 25 | 125 75 | 1360 | 1620 50 | 1240 | 1240 | 1740 50 |
| Trumbill, Lyman | | 5000 | 801 | 801 | 4199 | 475 | 620 40<br>87 40 | 708 80 | 3966 20 | 5844 | 964 80<br>1732 40<br>1500<br>330 | 4527 20 | 5283 |
| Webster, J. W. | | | | | | 1972 | 115<br>60 | 175 | 1797 | 8604 | 12570<br>3880 4 | 5737 4 | 9887 26 |
| Whiteman, K. | | 986<br>5200 | | | 6186 | 1284 60 | 862 40<br>4168 0 | 1279 20 | 6191 40 | 1800 | 1600<br>245<br>1285 0 | 1972 30 | 6017 90 |
| Worthington, K. | | | | | | | | | | 1798 20 | 1243 20 | 1243 20 | 555 |

| When Disc'd | Our No. | Maker or Acceptor. | Drawer, Endorser, or Security. | Payee. | Where Payable. | Date. | Time. |
|---|---|---|---|---|---|---|---|
| 19— | | | | | | | |
| Jan. | 1 | F. I. Bennett & Co. | L. Johnson | L. Johnson | Detroit | Jan. 1 | 30 ds. |
| | 2 | John Davis & Co. | John Wentworth | H. Whiteman | 237 Lake St. | " 7 | 60 " |
| | 3 | Sherman T. Kimball | J. Mandell & Son | Our Bank | New York | " 10 | 30 " |
| **Feb.** | 4 | J. Collins | J. H. Walter | J. H. Walter | St. Louis | Jan. 15 | 60 ds. |
| | 5 | E. B. Hoswell | G. S. Rawson | Our Bank | Our Bank | Feb. 1 | 30 " |
| | 6 | J. Porter | J. V. Farwell | J. V. Farwell | Our Bank | Jan. 10 | 90 " |
| | 7 | F. Durell | H. Lyon | H. Lyon | Our Bank | Feb. 1 | 30 " |
| | 8 | C. W. Parsons | J. Lewis | Our Bank | New York | Jan 20 | 60 " |
| March | 9 | C. O. Godfrey | C. Haywood | Our Bank | Our Bank | Mar. 1 | 60 ds. |
| | 10 | J. Collins | H. Brown | A. B. Stilwell | St. Louis | Feb. 20 | 60 " |
| | 11 | G. W. Purington | J. Emery | J. Emery | New York | " 25 | 60 " |
| | 12 | D. Appleton & Co. | J. Russell | Julius Bauer | New York | " 27 | 60 " |
| | 13 | A. B. Wilson | Geo. L. Crosby | Geo. L. Crosby | Detroit | Mar. 1 | 30 " |
| | 14 | W. Knapp | Geo. Gray | Geo. Gray | Pittsburgh | " 1 | 60 " |
| | 15 | S. Morton | J. W. Phillips | J. W. Phillips | Detroit | " 1 | 30 " |
| | 16 | J. Hixon | A. C. Whiting | A. C Whiting | Our Bank | Feb. 25 | 30 " |
| | 17 | A. R. Dunton | A. S. Vantress | A. S. Vantress | Boston | Mar. 1 | 30 " |
| | 18 | H. Walker | A. White | J. L. Lathrop | Pittsburgh | Feb. 1 | 60 " |
| | 19 | G. O. Bishop | H. Carson | Our Bank | Our Bank | Mar. 1 | 60 " |
| | 20 | Henry Troyman | M. L. Pierson | M. L. Pierson | 213 Sherman St. | Feb. 21 | 30 " |
| | 21 | Geo. Wells | J. Mandell & Son | J. Mandell & Son | St. Louis | " 10 | 60 " |
| | 22 | Louis Fisher | J. Mershon | J. Mershon | New York | " 25 | 90 " |
| | 23 | J. Price | Marshall Field & Co. | Marshall Field & Co. | Detroit | Jan. 16 | 90 " |

| When Due. | Amount. | Discount | Col. & Ex. | Proceeds. | Tickler Check. | To Whom Credited. | Remarks. |
|---|---|---|---|---|---|---|---|
| Feb. 3 | 900 | 6 60 | | 893 40 | ✓ | L. Johnson | Paid |
| Mar. 11 | 1000 | 14 | | 986 | ✓ | H. Whiteman | Paid |
| Feb. 12 | 2000 | 14 67 | 1 | 1984 33 | ✓ | J. Mandell & Son | Paid |
| | 3900 | 35 27 | 1 | 3863 73 | | | |
| Mar. 19 | 2000 | 20 44 | 2 | 1977 56 | ✓ | Marshall Field & Co. | Paid |
| " 5 | 3000 | 22 | | 2978 | ✓ | Paid in Cash | Paid |
| Apr. 13 | 4000 | 63 11 | | 3936 89 | ✓ | J. V. Farwell | |
| Mar. 5 | 1500 | 11 | | 1489 | ✓ | J. Mershon | Paid |
| " 24 | 4500 | 51 | 4 50 | 4444 50 | ✓ | J. Lewis | Paid |
| | 15000 | 167 55 | 6 50 | 14825 95 | | | |
| May 3 | 2000 | 28 | | 1972 | ✓ | C. O. Godfrey | |
| Apr. 24 | 3500 | 42 | 3 50 | 3454 50 | ✓ | Paid in Cash | |
| " 29 | 4698 83 | 61 60 | 4 65 | 4632 58 | ✓ | J. V. Farwell | |
| May 1 | 3000 | 40 67 | 3 | 2956 33 | ✓ | Paid in Cash | |
| Apr. 3 | 8450 | 61 97 | 8 45 | 8379 58 | ✓ | " " | |
| May 3 | 9500 | 133 | 9 50 | 9357 50 | ✓ | L. Johnson | |
| Apr. 3 | 2500 | 18 33 | 2 50 | 2479 17 | ✓ | Paid in Cash | |
| Mar. 30 | 12000 | 77 33 | | 11922 67 | ✓ | " " | Paid |
| Apr. 3 | 6000 | 44 | 6 | 5950 | ✓ | " " | |
| " 5 | 8000 | 62 22 | 8 | 7929 78 | ✓ | " " | |
| May 3 | 3000 | 42 | | 2958 | ✓ | G. O. Bishop | |
| Mar. 26 | 4500 | 25 | | 4475 | ✓ | Paid in Cash | Paid |
| Apr. 14 | 9450 | 92 40 | 9 45 | 9348 15 | ✓ | J. Mandell & Son | |
| May 29 | 4800 | 94 93 | 4 80 | 4700 27 | ✓ | J. Mershon | |
| Apr. 19 | 16250 | 154 82 | 16 25 | 16078 93 | ✓ | Marshall Field & Co. | |
| | 97648 83 | 978 27 | 76 10 | 96594 46 | | | |

| Our Number. | When Received. | Payee. | Drawer or Endorser. | Where Payable. |
|---|---|---|---|---|
| | 19— | | | |
| | January | Henry Brewster | W. J. Little | Union National Bank |
| 2 | | J. W. Webster | J. Mershon | International Bank |
| 3 | | Andrew Fowler | H. Worthington | Pittsburgh |
| 4 | | Luther Fry | W. O. Lunt | Our Bank |
| 5 | | Marshall Field & Co. | A. T. Stewart & Co. | M. F. & Co.'s Office |
| 6 | | S. H. Karner | H. B. Partridge | Our Bank |
| 7 | | C. O. Godfrey | A. Shenker | " |
| 8 | | J. Miller | Dodd & Brown | " |
| 9 | February | S. H. Romer | Wayne Bros. | Commercial Nat. Bank |
| 10 | | G. O. Bishop | H. Marshall | 213 Dearborn Street |
| 11 | | H. Dowling | J. Harman | Our Bank |
| 12 | | Lyman Trumbull | W. Shafer | L. T.'s Office |
| 13 | | Marshall Field & Co. | R. Dubach | M. & F. Co.'s Office |
| 14 | | J. W. Webster | H. Emery | Our Bank |
| 15 | March | J. W. Strong | E. Bradshaw | 117 Monroe Street |
| 16 | | C. O. Godfrey | Dodd & Brown | Our Bank |
| 17 | | William True | John Allison | Union Trust Co. |
| 18 | | W. B. Cooke & Co. | F. G. Schofield | Our Bank |
| 19 | | H. B. Culver | A. Shenck | " |
| 20 | | Marshall Field & Co. | E. K. Losier | M. F. & Co.'s Office |
| 21 | | Geo. Taylor & Co. | W. Shafer | Our Bank |
| 22 | | J. V. Farwell | A. T. Stewart & Co. | " |
| 23 | | J. Mershon | H. B. Cutter | " |
| 24 | | Lesem Bros. | Marshall Field & Co | Quincy, Ill. |
| 25 | | E. B. Hawley | J. L. Lathrop | Our Bank |
| 26 | | M. Hagan | J. V. Farwell | Springfield, Ill. |
| 27 | | Levi Wing | W. Parsons | Our Bank |
| 28 | | J. M. Potter | L. Johnson | Toledo, Ohio |
| 29 | | D. S. Wheeler | J. W. Webster | Pittsburgh |
| 30 | | R. N. Pierson | H. Dowling | Buffalo, N. Y. |
| 31 | | R. Andrews | M. A. Durr | Springfield, Ill. |

| Date. | Time. | When Due. | Amount. | Interest or Exchange. | Collected For | To Whom Sent. | Remarks. |
|---|---|---|---|---|---|---|---|
| Jan. 1 | 30 ds. | Feb. 3 | 450 | | W. J. Little | | Paid and Ent'd |
| " 1 | 60 " | Mar. 5 | 1200 | | J. Mershon | | Paid and Ent'd |
| Dec. 1 | 90 " | " 4 | 1800 | | H. Worthington | Fifth Nat. Bank | Paid and Ent'd |
| Nov. 10 | 90 " | Feb. 11 | 1250 | Int. 8% | W. O. Lunt | | Paid and Ent'd |
| Jan. 13 | 30 " | " 15 | 1000 | | Ninth Nat. Bank | | Paid and Ent'd |
| " 13 | 30 " | " 15 | 1840 | | " " | | Paid and Ent'd |
| " 15 | 60 " | Mar. 19 | 2000 | | Valley Nat. Bank | | Paid and Ent'd |
| " 16 | 30 " | Feb. 18 | 4000 | | " " | | Paid and Ent'd |
| Jan. 10 | 60 ds. | Mar. 14 | 1500 | Int. 7% | Fourth Nat., Buffalo | | Remitted |
| " 20 | 60 " | " 24 | 540 | | " " | | Remitted |
| " 29 | 30 " | " 3 | 769 | Ex. | Valley Nat. Bank | | Paid and Ent'd |
| " 25 | 60 " | " 29 | 1860 | | Fifth Nat. Bank | | Paid and Ent'd |
| Feb. 25 | 30 " | " 30 | 8742 | | " " | | Paid and Ent'd |
| " 19 | 90 " | May 23 | 3900 | | " " | | |
| Feb. 10 | 30 ds. | Mar. 15 | 550 | | Valley Nat. Bank | | Paid and Ent'd |
| " 25 | 10 " | " 10 | 1200 | | " " | | Paid and Ent'd |
| " 25 | 60 " | Apr. 29 | 2000 | | " " | | |
| " 13 | 30 " | Mar. 18 | 4200 | | F. G. Schofield | | Remitted |
| " 20 | 60 " | Apr. 24 | 6000 | Ex. | A. Shenck | | |
| Jan. 25 | 90 " | " 28 | 14600 | Int. 6% | E. K. Losier | | |
| Feb. 24 | 60 " | " 28 | 6580 | Ex. | Fifth Nat. Bank | | |
| " 23 | 30 " | Mar. 28 | 8500 | | Ninth Nat. Bank | | Paid and Ent'd |
| " 28 | 30 " | Apr. 2 | 3700 | | " " | | |
| Jan. 25 | 90 " | " 28 | 4600 | Int. 6% | Marshall Field & Co. | C. H. Bull & Co. | |
| Feb. 27 | 30 " | " 1 | 1350 | | J. L. Lathrop | | |
| Mar. 1 | 60 " | May 2 | 6450 | | J. V. Farwell | State Nat. Bank | |
| Feb. 15 | 60 " | Apr. 19 | 8000 | Int. 7% | A. A. Mead | | |
| " 14 | 60 " | " 18 | 13000 | | L. Johnson | Toledo Nat. Bank | |
| Mar. 1 | 60 " | May 3 | 1000 | Ex. | J. W. Webster | Fifth Nat. Bank | |
| " 1 | 60 " | " 3 | 5000 | | H. Dowling | Woodruff & Co. | |
| Feb. 16 | 60 " | Apr. 20 | 620 | | Ninth Nat. Bank | State Nat. Bank | |

## FEBRUARY.

| Our No. | Payer. | Where Payable. | To Whom Sent. | Amount. | Interest or Exchange. | Remarks. |
|---|---|---|---|---|---|---|
| 1 | F. I. Bennett & Co. | Detroit | First National Bank | 900 | | Paid |
| 3 | Sherman T. Kimball | New York | Ninth National Bank | 2000 | | Paid |

## MARCH.

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | John Davis & Co. | 237 Lake Street | | 1000 | | Paid |
| 4 | J. Collins | St. Louis | Valley Nat. Bank | 2000 | | Paid |
| 5 | E. B. Hoswell | Our Bank | | 3000 | | Paid |
| 7 | F. Durell | Our Bank | | 1500 | | Paid |
| 8 | C. W. Parsons | New York | Ninth Nat. Bank | 4500 | | Paid |
| 16 | J. Hixon | Our Bank | | 12000 | | Paid |
| 20 | Henry Troyman | 213 Sherman Street | | 4500 | | Paid |

## APRIL.

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | J. Porter | Our Bank | | 4000 | | |
| 10 | J. Collins | St. Louis | Valley Nat. Bank | 3500 | | |
| 11 | G. W. Purington | New York | Ninth Nat. Bank | 4650 | 48 | 83 |
| 13 | A. B. Wilson | Detroit | First Nat. Bank | 8450 | | |
| 15 | S. Morton | " | " " " | 2500 | | |
| 17 | A. R. Dunton | Boston | J. G. Easton & Co. | 6800 | | |
| 18 | H. Walker | Pittsburgh | Fifth Nat. Bank | 8700 | | |
| 21 | Geo. Wells | St. Louis | Valley Nat. Bank | 9450 | | |
| 23 | J. Price | Detroit | First Nat. Bank | 16250 | | |

## MAY.

| | | | | | | |
|---|---|---|---|---|---|---|
| 9 | C. O. Godfrey | Our Bank | | 2000 | | |
| 12 | D. Appleton & Co. | New York | Ninth Nat. Bank | 3000 | | |
| 14 | W. Knapp | Pittsburgh | Fifth Nat. Bank | 9500 | | |
| 19 | G. O. Bishop | Our Bank | | 3000 | | |
| 22 | Louis Fisher | New York | Ninth Nat. Bank | 4800 | | |

## FEBRUARY.

| Our No. | Payer. | Where Payable. | To Whom Sent. | Amount. | Int. or Exch. | | Collected For | Remarks. |
|---|---|---|---|---|---|---|---|---|
| 1 | Henry Brewster | Union Nat. Bank | | 450 | | | W. J. Little | Pd & Ent |
| 4 | Luther Fry | Our Bank | | 1250 | 25 | 84 | W. O. Lunt | Pd & Ent |
| 5 | Marshall Field & Co. | M. F. & Co.'s Office | | 1000 | | | Ninth Nat. Bank | Pd & Ent |
| 6 | S. H. Karner | Our Bank | | 1840 | | | " " " | Pd & Ent |
| 8 | J. Miller | " " | | 4000 | | | Valley Nat. Bank | Pd & Ent |

## MARCH.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | J. W. Webster | International Bank | | 1200 | | | J. Mershon | Pd & Ent |
| 3 | Andrew Fowler | Pittsburgh | Fifth Nat. Bank | 1800 | | | H. Worthington | Pd & Ent |
| 7 | C. O. Godfrey | Our Bank | | 2000 | | | Valley Nat. Bank | Pd & Ent |
| 9 | S. H. Romer | Commercial Nat. Bk. | | 1500 | 18 | 38 | Fourth Nat. Buffalo | Remitted |
| 10 | G. O. Bishop | 213 Dearborn St. | | 540 | | | " " " | Remitted |
| 11 | H. Dowling | Our Bank | | 769 | | 75 | Valley Nat. Bank | Pd & Ent |
| 12 | Lyman Trumbull | L. T.'s Office | | 1860 | | | Fifth Nat. Bank | Pd & Ent |
| 13 | Marshall Field & Co. | M. F. & Co.'s Office | | 8742 | | | " " " | Pd & Ent |
| 15 | J. W. Strong | 117 Monroe St. | | 550 | | | Valley Nat. Bank | Pd & Ent |
| 16 | C. O. Godfrey | Our Bank | | 1200 | | | " " " | Pd & Ent |
| 18 | W. B. Cooke & Co. | " " | | 4200 | | | F. G. Schofield | Remitted |
| 22 | J. V. Farwell | " " | | 8500 | | | Ninth Nat. Bank | Pd & Ent |

## APRIL.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 17 | William True | Union Trust Co. | | 2000 | | | Valley Nat. Bank | |
| 19 | H. B. Culver | Our Bank | | 6000 | 6 | | A. Shenck | |
| 20 | Marshall Field & Co. | M. F. & Co.'s Office | | 14600 | 226 | 30 | E. K. Losier | |
| 21 | Geo. Taylor & Co. | Our Bank | | 6580 | 6 | 50 | Fifth Nat. Bank | |
| 23 | J. Mershon | " " | | 3700 | | | Ninth Nat. Bank | |
| 24 | Lesem Bros. | Quincy, Ill. | C. H. Bull & Co. | 4600 | 71 | 30 | Marshall Field & Co. | |
| 25 | E. B. Hawley | Our Bank | | 1350 | | | J. L. Lathrop | |
| 27 | Levi Wing | " " | | 8000 | 98 | | A. A. Mead | |
| 28 | J. M. Potter | Toledo, Ohio | Toledo Nat. Bank | 13000 | | | L. Johnson | |
| 31 | R. Andrews | Springfield, Ill. | State Nat. Bank | 620 | | | Ninth Nat. Bank | |

## MAY.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 14 | J. W. Webster | Our Bank | | 3900 | | | Fifth Nat. Bank | |
| 26 | M. Hagan | Springfield, Ill. | State Nat. Bank | 6450 | | | J. V. Farwell | |
| 29 | D. S. Wheeler | Pittsburgh, Pa. | Fifth Nat. Bank | 1000 | 1 | | J. W. Webster | |
| 30 | R. N. Pierson | Buffalo, N. Y. | Woodruff & Co. | 5000 | | | H. Dowling | |

Discounted the following paper:

*For H. Worthington:* His Note for $7000 at 60 ds. from April 1, our favor, endorsed by Robert Duncan, payable at our Bank. Discount off, 63 ds. at 8%, $**. Proceeds to the credit of H. Worthington.

*For J. Mandell & Son:* M. Durant's (Pittsburgh) Note for $8640 at 90 ds. from March 14, favor of and endorsed by H. Writter. Discount off, 75 ds. at 8%, $***. Col. and Ex., $8.64. Proceeds to the credit of J. Mandell & Son. Remitted same to Fifth National Bank, Pittsburgh, for collection.

*For W. Holmes & Co.:* G. Gibbs' (St. Louis) Note for $12500 at 90 ds. from April 1, favor W. Holmes & Co., endorsed by O. Garvin. Discount off, 93 ds. at 8%, $***.**. Col. and Ex., $12.50. Proceeds to the credit of W. Holmes & Co. Remitted same to Valley National Bank for collection.

*For H. Dowling:* J. Dorman's (Pittsburgh) Note for $3200 at 60 ds. from March 25, favor R. Lakeman and by him endorsed. Discount off, 56 ds. at 8%, $**.**; Col. and Ex., $3.20. Proceeds to the credit of H. Dowling. Remitted same to Fifth National Bank for collection.

*For J. Mershon:* His Note for $5000 at 30 ds. from April 1, our favor, endorsed by G. L. Crosby, payable at our Bank. Discount off, 33 ds. at 8%, $**.**. Proceeds to the credit of J. Mershon.

*For J. R. Winchell:* M. Buel's Note for $2500 at 60 ds. from March 24, favor S. Provine and by him endorsed, payable at Merchants' National Bank. Discount off, 55 ds. at 8%, $**.**. Proceeds paid in Cash.

*For J. V. Farwell:* W. Hunter's (New York) Note for $7200 at 90 ds. from March 27, favor A. G. Dunlap, endorsed by C. W. Palmer. Discount off, 88 ds. at 8%, $***.**; Col. and Ex., $7.20. Proceeds to the credit of J. V. Farwell. Remitted same to Ninth National Bank for collection.

*For M. Amos:* J. Rogers' (Detroit) Note for $4000 at 90 ds. from Feb. 27, favor Q. S. Barton and by him endorsed. Discount off, 60 ds. at 8%, $**.**; Col. and Ex., $4. Proceeds to the credit of M. Amos. Remitted same to First National Bank, Detroit, for collection.

*For Samuel Beem:* Louis Jones' Note for $1400 at 60 ds. from March 21, favor of and endorsed by M. Camp, payable at Dime Savings Bank. Discount off, 52 ds. at 8%, $16.17. Proceeds to the credit of Samuel Beem.

*For W. Martin*: His Note for $14000 at 90 ds. from April 1, our favor, endorsed by H. Andrews, payable at our Bank. Discount off, 93 ds. at 8%, $***.**. Proceeds paid in Cash.

*For J. Burchard:* A. Winne's (Springfield) Note for $6000 at 90 ds. from March 20, favor J. Burchard and by him endorsed. Discount off, 81 ds. at 8%, $***; Col. and Ex., $6. Proceeds to the credit of J. Burchard. Remitted same to State National Bank for collection.

*For S. H. Karner:* R. O'Dell's (St. Louis) Note for $4500 at 90 ds. from March 11, favor S. H. Karner and by him endorsed. Discount off, 72 ds. at 8%, $**; Col. and Ex., $4.50. Proceeds to the credit of S. H. Karner. Remitted same to Valley National Bank for collection.

*For W. Brown:* His Note for $8000 at 90 ds. from April 1, favor of and payable at our Bank, endorsed by J. V. Farwell. Discount off, 93 ds. at 8%, $***.**. Proceeds paid in Cash.

*For R. R. Donnelly:* His Note for $16000 at 60 ds. from April 1, our favor, endorsed by G. O. Bishop, payable at our Bank. Discount off, 63 ds. at 8%, $***. Proceeds paid in Cash.

Sold the following Drafts this day:

To J. Mershon, on First National Bank, Detroit, No. 11, $3000; Exchange, $1.50. To J. Ellis, on Fifth National Bank, Pittsburgh, No. 6, $1240; Exchange, $1.25.

R. T. C. B. and G. C. B.

Remitted to Ninth National Bank, New York, for our credit, $20000.

Received for coupons of 5-20 Bonds, 1 year's interest at 4% on $100000, $****.

G. C. B. Transactions out of the regular routine, such as this, and money not received or paid out by the Tellers, but by the Cashier direct, may be entered on the G. C. B. at once.

Paid the following expenses:

Rent of banking rooms, 3 months, $300; Gas bills, Fuel, etc., $47.50; salaries to Officers and Clerks to date, $850.

P. T. C. B. and G. C. B.

Received the following deposits:

W. O. Lunt, $210; J. W. Strong, $500; J. Mershon, $375; Col. and Ex., 25¢; W. J. Little, $674.50; M. Amos, $315; J. V. Farwell, $2125; Col. and Ex., 50¢; G. O. Bishop, $365; Henry Miller, $1867; Col. and Ex., $1; H. Dowling, $2900; Col. and Ex., 75¢; J. W. Ellis, $5400; H. Whiteman, $4200; Henry Trowbridge, $700; Samuel Beem, $67; Daniel Drew, $147.50; Col. and Ex., 25¢; L. Johnson, $6280; J. Lewis, $675; Col. and Ex., 75¢; Lyman Trumbull, $4675; Col. and Ex., $1.50; H. Andrews, $2415; J. W. Webster, $675; J. Harris, $4286; J. Mandell & Son, $4280; Col. and Ex., $2.25; J. Burchard, $200; W. Holmes & Co., $75; Marshall Field & Co., $6890; Col. and Ex., $3.25; S. H. Karner, $3900.

Certified the following Checks:

For J. W. Ellis, $260; W. J. Little, $500; J. V. Farwell, $318.25, $465.80; H. Whiteman, $1000; Marshall Field & Co., $2400.

G. C. B.

Issued the following Certificates of Deposit:

To W. L. Monahan, $400; Amos Zumbro, $1000; Frank J. Painter, $800; Mrs. O. C. Cummings, $500.

R. T. C. B. and G. C. B.

The following Drafts and Checks, received among the deposits this day, have been forwarded for our credit as per Remittance Register:

To Ninth National Bank, New York, amounting to $15628.40; to Valley National Bank, St. Louis, $1625.40; to First National Bank, Detroit, $1150.60; to Fifth National Bank, Pittsburgh, $1925.45.

Paid the following Checks:

G. O. Bishop, $1950, $1875; J. Harris, $140, $155.80; J. Burchard, $1860, $1635.20; W. Holmes & Co., $650.80, $5000; Marshall Field & Co., $20000, $1348.50; S. H. Karner, $150, $60; J. Mandell & Son, $350; J. W. Webster, $675; H. Andrews, $100, $246.80, $2465.30; W. O. Lunt, $2685.50, $395.20; J. W. Strong, $2847, $1565.30; J. Mershon, $950, $2000; Daniel Drew, $860, $3600; H. Dowling, $2500, $1400; H. Miller, $50; J. W. Ellis, $25, $115, $10; Samuel Beem, $350; J. Lewis, $680, $6250; M. Amos, $3500; Henry Trowbridge, $675; L. Johnson, $1000, $1400; C. O. Godfrey, $500, $1552.60.

Paid the following Certified Checks:

Lyman Trumbull, $350; J. Mershon, $400; J. V. Farwell, $318.25; J. W. Ellis, $260.

P. T. C. B. and G. C. B.

The following collections have been paid at this Bank, the proceeds of which we credit to the owners:

No. 17, Valley National Bank, $2000; Col. and Ex., $2. No. 32, $3200; Col. and Ex., $3.20. No. 21, Fifth National Bank, Pittsburgh, $6580; Col. and Ex., $6.50. No. 23, Ninth National Bank, New York, $3700; Col. and Ex., $3.70. No. 40, $8460; Col. and Ex., $8.46. No. 41, $1256; Col. and Ex., $1.25. No. 42, $9840; Col. and Ex., $9.84. No. 43, $6280; Col. and Ex., $6.28. No. 25, J. L. Lathrop, $1350; Col. and Ex., $1.35. No. 27, A. A. Mead, $8098; Col. and Ex., $8.

R. T. C. B. and G. C. B.

The following collections have been paid at this Bank, the proceeds of which we remit to the owners:

No. 19, A. Shenck, Indianapolis, Ind., $6000; remitted by Draft No. 10, on Valley National Bank. No. 20, E. K. Losier, Baltimore, Md., $14826.30; Col. and Ex., $14.82; remitted by Draft No. 12, on Ninth National Bank. No. 37, Geo. Boyer, Cincinnati, $800; Col. and Ex., 80¢; remitted by Draft No. 6, on Fifth National Bank. No. 38, R. Chambers, Albany, N. Y., $1200; Col. and Ex., $1.20; remitted by Draft No. 13, on Ninth National Bank.

R. T. C. B. and G. C. B. Credit the correspondents on whom drawn.

The following collections, remitted to other Banks for collection, have been heard from as follows:

No. 24, Marshall Field & Co., $4600, remitted to C. H. Bull & Co., Quincy, protested and returned. Protest fees, $2.50, which we have remitted by Draft No. 11, on Valley National Bank, and charged to Marshall Field & Co.

Mark "Protested and Returned" in the Tic. and Col. Reg. Enter in the G. C. B., debiting Marshall Field & Co. and crediting Valley National Bank.

The protesting of paper in a Bank is usually done by the Bank Notary, who is one of the officials. The fee goes to him, and no account of such fees is necessary on the books of the Bank.

No. 28, L. Johnson, $13000, remitted to Toledo National Bank, Toledo, O., paid: Col. and Ex., $13; proceeds placed to our credit.

G. C. B. Credit L. Johnson for the proceeds and debit Toledo National Bank for same.

No. 31, Ninth National Bank, $620, remitted to State National Bank, Springfield, Ill., paid and remitted to us; Col. and Ex., 75¢; proceeds placed to credit of Ninth National Bank.

G. C. B. Credit Ninth National Bank for the proceeds.

Protested and returned the following paper:

Collection 35, remitted to us by First National Bank, Detroit, $1400; protest fee, $2.50, paid by us in Cash and charged to their account.

P. T. C. B.; G. C. B.; Mark the paper "Protested and Returned," then charge the First National Bank, Detroit, with the protest fee.

The following Discount, falling due and payable at this Bank as per Tickler, has been paid:

No. 6, J. Porter, $4000.

R. T. C. B. and G. C. B.

The following Discounts, which have been remitted to other Banks for collection, have been paid, as per notices received:

No. 10, J. Collins, $3500, remitted to and collected by Valley National Bank, St. Louis; Col. and Ex., $3.50; proceeds placed to our credit.

No. 11, G. W. Purington, $4650, and Interest, $48.83, remitted to and collected by Ninth National Bank, New York; Col. and Ex., $4.70; proceeds placed to our credit

No. 13, A. B. Wilson, $8450, remitted to and collected by First National Bank, Detroit; Col. and Ex., $8.45; proceeds placed to our credit.

No. 15, S. Morton, $2500, remitted to and collected by First National Bank, Detroit; Col. and Ex., $2.50; proceeds placed to our credit.

No. 17, A. R. Dunton, $6000, remitted to and collected by J. G. Easton & Co., Boston; Col. and Ex., $6; proceeds remitted to us.

No. 18, H. Walker, $8000, remitted to and collected by Fifth National Bank, Pittsburgh; Col. and Ex., $8; proceeds placed to our credit.

No. 21, Geo. Wells, $9450, remitted to and collected by Valley National Bank, St. Louis; Col. and Ex., $9.45; proceeds placed to our credit.

No. 23, J. Price, $16250, remitted to and collected by First National Bank, Detroit; Col. and Ex., $16.25; proceeds placed to our credit.

Total Collection and Exchange, $58.85. Total Interest, $48.83.

G. C. B. Credit "Loans and Discounts" for the face of the paper and credit "Interest." Debit the correspondents for the proceeds and debit "Col. and Ex."

The Discount Register is now closed and the results carried to the General Cash Book, as follows: *Credits:* H. Worthington, $****$; J. Mandell & Son, $****.**$; W. Holmes & Co., $*****.**$; H. Dowling, $****.**$; J. Mershon, $****.**$; J. V. Farwell, $****$; M. Amos, $****.**$; Samuel Beem, $****.**$; J. Burchard, $****$; S. H. Karner, $****.**$; Discount, $****.**$; Col. and Ex., $**.**. *Debits:* Loans and Discounts—H. Worthington, No. 24, $****$; M. Durant, No. 25, $****$; G. Gibbs, No. 26, $*****$; J. Dorman, No. 27, $****$; J. Mershon, No. 28, $****$; M. Buel, No. 29, $****$; W. Hunter, No. 30, $****$; J. Rogers, No. 31, $****$; Louis Jones, No. 32, $****$; W. Martin, No. 33, $*****$; A. Winne, No. 34, $****$; R. O'Dell, No. 35, $****$; W. Brown, No. 36, $****$; R. R. Donnelly, No. 37, $*****.

The Receiving Teller's Cash Book is now closed and the results carried to the General Cash Book. Total deposits, $*****. Col. and Ex., $**.**.

The Paying Teller's Cash Book is now closed and the results carried to the General Cash Book, $*****.

Cash on hand per G. C. B., $290271.63.

MAY 1.

Bought of Jacob Weil, for Cash, 50 Chicago City 4% Bonds, $100 each, at 108⅜.
G. C. B.

Sold for Cash, 10 Illinois Central R. R. Bonds, $100 each, at 65.
G. C. B.

Received the following paper for collection:

*From J. R. Wadsworth:* His Draft on Geo. M. Bryant for $945.80 at 60 ds. from May 1, payable at Wheeling, W. Va., which we have remitted to Fifth National Bank, Pittsburgh, for collection.

*From Anderson & Baker:* A. C. Ducat's (Boston) Note for $4625 at 4 months from April 24, with interest at 6%, endorsed by Charles J. Grier, which we have remitted to J. G. Easton & Co. for collection.

*From J. V. Farwell:* His Draft on J. W. Whittlesey, Louisiana, Mo., for $700 at 30 ds. from May 1, with Exchange, which we have remitted to Valley National Bank for collection.

*From J. Lewis:* His Draft on Frank J. Blount, New York, for $2415 at 60 ds. from May 4, which we have remitted to Ninth National Bank for collection.

*From John Hoffmeyer:* His Draft on Henry L. Foster, Bloomington, Ill., for $450 at 30 ds. from May 1, which we have remitted to Second National Bank, Bloomington, for collection.

*From Marshall Field & Co.:* Their Draft on C. L. Ricketts, Kansas City, Mo., for $625.40 at 60 ds. from May 5, which we have remitted to State Savings Institution for collection. Ira D. Moss' (Indianapolis) Note for $2540 at 3 months from March 25, with Interest at 7%, endorsed by M. F. & Co., which we have remitted to the First National Bank, Indianapolis, for collection.

*From A. L. Clifford, Milwaukee:* W. Holmes' Note for $2546 at 3 months from April 21, with Interest at 6%, endorsed by A. L. Clifford, payable at 318 Adams Street

*From John D. Huling, Omaha, Neb.:* J. Mershon's Note for $4200 at 60 ds. from May 1, with 8% Interest, endorsed by John D. Huling, payable at our Bank.

*From A. Reed & Co., Amboy, Ill.:* John L. Bowman's Note for $240 at 30 ds. from May 2, with 6% Interest, endorsed by A. Reed & Co., payable at Merchants National Bank.

*From Girard National Bank, Philadelphia:* Potter Palmer's Acceptance for $3000 at 30 ds. from April 27, with Exchange, endorsed by A. C. Baird, payable at our Bank. W. J. Little's Note for $350 at 90 ds. from April 21, endorsed by Dodge & Devoe, payable at our Bank.

*From Valley National Bank, St. Louis:* J. H. Hainline's Draft on H. Worthington for $1500 at 30 ds. from April 25, payable at our Bank. M. R. Doty's Draft on Reid, Murdoch & Fischer for $1800 at 90 ds. from April 24, with Exchange, payable at Union National Bank. J. Mershon's Note for $500 at 3 months from March 26, with Interest at 7%, endorsed by A. C. Burton, payable at our Bank. Geo. W. Cochran's Draft on J. Burchard for $2500 at 60 ds. from May 1, payable at 118 Monroe St.

*From Ninth National Bank, New York:* D. Appleton & Co.'s Draft on A. C. McClurg & Co. for $1250 at 60 ds. from May 4, payable at Continental National Bank. C. L. Wilson's Draft on Marshall Field & Co. for $8625.50 at 30 ds. from May 10, payable at our Bank. J. W. Bradford's Draft on F. E. Johnson for $960 at 60 ds. from May 1, payable at 69 Royal Insurance Building. L. C. Muchmore's Draft on P. C. Watson for $800 at 90 ds. from May 3, payable at 151 State St. W. S. Arnold's Draft on A. M. Pence for $600, accepted April 25, at 90 ds. payable at our Bank. A. A. Mead's Note for $6500 at 90 ds. from May 4, endorsed by Earl & Wilson, payable at our Bank.

*From First National Bank, Detroit:* Samuel Beem's Note for $800 at 60 ds. from May 3, with Interest at 6%, endorsed by A. L. Patterson, payable at 214 Main St. D. R. Conant's Draft on J. V. Farwell for $900 at 60 ds. from May 12, payable at our Bank. A. C. Webb's Note for $1350 at 3 months from May 1, endorsed by I. I. Eaton & Co., payable at A. C. Webb's office.

*From Fifth National Bank, Pittsburgh:* Marshall Field & Co.'s Note for $6450 at 90 ds. from May 1, endorsed by L. C. Loveridge & Co., with Interest at 8%, payable at M. F. & Co.'s Office. F. B. Durand's Draft on A. H. Andrews & Co. for $750 at 60 ds. from May 1, payable at Union National Bank. J. Mershon's Acceptance for $900 at 60 ds. from April 22, favor of and endorsed by L. L. Mason, payable at 243 Franklin St. I. J. Lewis' Note for $4000 at 30 ds. from April 27, endorsed by Pittsburgh Steel Co., payable at 87 Grand Ave.

Discounted the following paper:

*For J. W. Strong:* His Note for $2000 at 60 ds. from May 1, our favor, endorsed by J. V. Farwell, payable at our Bank. Discount off, 63 ds. at 8%, $**. Proceeds to the credit of J. W. Strong

*For A. C. Storey:* J. Mandell & Son's Note for $3720 at 60 ds. from April 20, endorsed by Andrew Collins, favor A. C. Storey, payable at our Bank. Discount off, 52 ds. at 8%, $**.*9. roceeds paid in Cash.

*For G. O. Bishop:* His Note for $2800 at 90 ds. from May 1, our favor, endorsed by Henry Carson, payable at our Bank. Discount off, 93 ds. at 8%, $**.*7. Proceeds to the credit of G. O. Bishop.

*For J. Mandell & Son:* Their draft on Geo. L. Willis, St. Louis, for $1960.50 at 60 ds. from March 29, favor themselves and by them endorsed. Discount off, 30 ds. at 8%, $**.*7; Col. and Ex., $2. Proceeds to the credit of J. Mandell & Son. Remitted same to the Valley National Bank for collection.

*For Marshall Field & Co.:* J. R. Wilson's Note for $900 at 90 ds. from April 28, favor M. F. & Co. and by them endorsed, payable at M. F. & Co.'s office. Discount off, 90 ds. at 8%, $**. Proceeds to the credit of Marshall Field & Co. S. Morton's (Detroit) Acceptance for $1650 at 60 ds. from April 16, favor Marshall Field & Co. and by them endorsed. Discount off, 48 ds. at 8%, $**.**. Col. and Ex., $1.65. Proceeds to the credit of Marshall Field & Co. Remitted same to First National Bank, Detroit, for collection.

*For A. B. Stilwell:* J. L. Robertson's (St. Louis) Note for $2500 at 90 ds. from April 24, with interest at 6%, favor of American Bridge Co., endorsed by Cook & Phillips. Interest on same to maturity, $**.**. Discount off, 86 ds. at 8%, $**.*2. Col. and Ex., $2.50. Proceeds paid in Cash. Remitted same to Valley National Bank, St. Louis, for collection.

*For L. Johnson:* His Draft on J. G. Rowland, Quincy, Ill., for $1250 at 60 ds. from May 1, favor himself. Discount off, 63 ds. at 8%, $**.**. Col. and Ex., $1.25. Proceeds to the credit of L. Johnson. Remitted same to C. H. Bull & Co., Quincy, Ill., for collection.

*For Geo. I. Elliott:* His Note for $900 at 45 ds. from April 29, favor our Bank, endorsed by Thos. Kane, payable at our Bank. Discount off, 46 ds. at 8%, $*.**. Proceeds paid in cash.

*For Lyman Trumbull:* Henry Huffmeyer's (Detroit) Note for $1850 at 90 ds. from April 25, with Interest at 7%, favor Lyman Trumbull and by him endorsed. Interest on Note to maturity, $**.*5. Discount off, 87 ds. at 8%, $**.**. Col. and Ex., $1.75. Proceeds to the credit of Lyman Trumbull. Remitted same to First National Bank for collection.

*For W. O. Lunt:* W. F. Parson's Note for $1180 at 2 months from April 25, favor W. O. Lunt, endorsed by S. W. Rawson, payable at 108 Washington St. Discount off, 58 ds. at 8%, $**.**. Proceeds to the credit of W. O. Lunt.

*For J. W. Webster:* His Draft on Browning, King & Co., Omaha, Neb., for $1260 at 30 ds. from May 11, favor our Bank. Discount off, 43 ds. at 8%, $**.**. Col. and Ex., $1.25. Proceeds to the credit of J. W. Webster. Remitted same to Omaha National Bank for collection. John D. French's Note for $750 at 3 months from April 12, with Interest at 6%, favor J. W. W. and endorsed by Henry S. Barry, payable at Hide and Leather Bank. Interest on Note to maturity, $**.*3. Discount off, 75 ds. at 8%, $**.*9. Proceeds to the credit of J. W. Webster.

*For Henry Trowbridge:* His Note for $1500 at 60 ds. from May 1, our favor, endorsed by C. E. Church, payable at our Bank. Discount off, 63 ds. at 8%, $**. Proceeds to the credit of H. Trowbridge.

*For W. Brown:* O. E. Hamilton's (Detroit) Note for $820 at 3 months from April 12, favor W. Brown, endorsed by J. V. Farwell. Discount off, 75 ds. at 8%, $**.**. Col. and Ex., 80¢. Proceeds paid in Cash. Remitted same to First National Bank, Detroit, for collection.

Sold the following Drafts:

To J. V. Farwell, on Valley National Bank, St. Louis, No. 12, $1500; Exchange, $1. To H. Whiteman, on Ninth National Bank, New York, No. 14, $1865; Exchange $1.75. To Henry Trowbridge, on First National Bank, Detroit, No. 12, $950; Exchange, $1. To John H. Cresswell, on First National Bank, Detroit, No. 13, $465; Exchange, 50¢. To Geo. H. Jackson, on Ninth National Bank, New York, No. 15, $750; Exchange 75¢.

Received the following deposits:

M. Amos, $1168.20; J. W. Strong, $436.25; J. Mershon, $580; J. V. Farwell, $1875; Col. and Ex., $1; W. J. Little, $185; W. O. Lunt, $1213.80; Col. and Ex., 25¢; G. O. Bishop, $985; Henry Miller, $1145; Col. and Ex., $1.25; Marshall Field & Co., $3265.80; C. O. Godfrey, $1000; J. Burchard, $425; J. Mandell & Son, $3625; Col. and Ex., $1.50; W. Holmes & Co., $820; S. H. Karner, $540; Col. and Ex., 50¢; Lyman Trumbull, $1485; H. Andrews, $3842; J. W. Webster, $216.80; J. Harris, $4500; J. Lewis, $980; Col. and Ex., 50¢; Daniel Drew, $1416.30; Samuel Beem, $485.20; Col. and Ex., 75¢; A. C. Devore, $187.60; H. Whiteman, $1680; J. W. Ellis, $1815.45; Robert Finlay, $560; Henry Trowbridge, $700; Cyrus D. Warren, $1000.

R. T. C. B.

Received Cash for 6 months' Interest on $5000 Chicago City Bonds at 4%, $***. Also received Cash for one year's interest on $5000 Illinois Central R. R. Bonds at $6%, $***.

Certified the following Checks:

For Samuel Beem, $185; H. Andrews, $5000; Daniel Drew, $1000; J. Mandell & Son, $4000; S. H. Karner, $218.50.

G C. B.

Issued the following Certificates of Deposit:

To W. L. Barbour, $500; H. C. Lindsay, $800; Frank Baker, $700; A. H. Hosmer, $350.

R. T. C. B. and G. C. B.

The following Drafts and Checks, received among the deposits this day, have been forwarded for our credit as per Remittance Register:

To Ninth National Bank, New York, amounting to $24865.20; to Valley National Bank, St. Louis, $1845.30, to First National Bank, Detroit, $815.40; to Fifth National Bank, Pittsburgh, $1465.30.

Paid the following Checks:

C. O. Godfrey, $460; $180.50; L. Johnson, $865.50, $418.30, $75; Henry Trowbridge, $420, $100, $25.75; Samuel Beem, $350, $41.67; J. Lewis, $28.60; J. W. Ellis, $115, $45; H. Miller, $49, $160; G. O. Bishop, $214, $518.60; J. Harris, $613.25; Robert Finlay, $218.50; J. Burchard, $540, $230, $160.40, $87.75, $624.30; W. Holmes & Co., $214.60, $518.40, $156; Marshall Field & Co., $2865.30, $8400, $11.60; J. W. Webster, $145.30, $65; H. Andrews, $684.30, $215; W. O. Lunt, $115, $217.85; J. W. Strong, $516.80, $213; J. Mershon, $486.50, $213.75, $1000; Lyman Trumbull, $4600, $214.80; A. C. Devore, $186.40.

Paid the following Certified Checks:

W. J. Little, $500; H. Whiteman, $1000; Marshall Field & Co., $2400; Daniel Drew, $1000.

Paid the following Certificates of Deposit:

D. D. Potter, $500; E. R. Shaw, $300.

The following collections have been paid at this Bank, the proceeds of which we credit to the owners:

No. 14, Fifth National Bank, Pittsburgh, $3900; Col. and Ex., $3.90. No. 46, $3600; Col. and Ex., $3.60. No. 83, $4000; Col. and Ex., $4. No. 33, Valley National Bank, $1250; Col. and Ex., $1.25. No. 34, $680; Col. and Ex., 60¢. No. 67, $1500; Col. and Ex., $1.50. No. 36, First National Bank, Detroit, $2000; Col. and Ex., $2. No. 44, Ninth National Bank, New York, $9420; Col. and Ex., $9.42. No. 45, $14000; Col. and Ex., $14.

R. T. C. B. and G. C. B.

The following collections have been paid at this Bank, the proceeds of which we remit to the owners:

No. 39, A. Dickinson, Louisville, Ky., $2500; Col. and Ex., $2.50. Remitted by Draft No. 7, on Fifth National Bank, Pittsburgh. No. 65, Girard National Bank, Philadelphia, $3000, with Exchange, remitted by Draft No. 16 on Ninth National Bank, New York. Exchange, $3.

The following collections, remitted to other Banks for collection, have been heard from as follows:

No. 26, J. V. Farwell, $6450, remitted to State National Bank, Springfield, Ill., paid; Col. and Ex., $6.45; proceeds remitted to us, which we credit to J. V. Farwell. No. 29, J. W. Webster, $1000, with Exchange, remitted to Fifth National Bank, Pittsburgh, paid and placed to our credit, which we credit to J. W. Webster. No. 53, J. V. Farwell, $675, with Exchange, remitted to Valley National Bank, St. Louis, paid and placed to our credit, which we credit to J. V. Farwell. No. 30, H. Dowling, $5000, remitted to Woodruff & Co., Buffalo, N. Y., protested and returned; protest fees, $2.25, which we have remitted by Draft No. 17 on Ninth National Bank, and charged to H. Dowling.

Protested and returned the following paper:

Collection No. 49, remitted us by Fifth National Bank, Pittsburgh $5420; protest fees, $2.15, paid by us and charged to their account.

G. C. B.

The following Discounts, falling due and payable at this Bank as per Tickler, have been paid:

No. 9, C. O. Godfrey, $2000; No. 19, G. O. Bishop, $3000; No. 29, M. Buel, $2500; No. 32, Louis Jones, $1400.

The following Discount, falling due at this Bank, has been protested for non-payment:

No. 28, J. Mershon, $5000; protest fees, $2.15; we have returned the paper, with Certificate of Protest attached, to Geo. L. Crosby, who has taken same up with his Check.

The following Discounts, which have been remitted to other Banks for collection, have been paid, as per notices received:

No. 12, D. Appleton & Co., $3000, remitted to Ninth National Bank, New York; Col. and Ex., $3; proceeds placed to our credit.

No. 14, W. Knapp, $9500, remitted to Fifth National Bank, Pittsburgh; Col. and Ex., $9.50; proceeds to our credit.

No. 22, Louis Fisher, $4800, remitted to Ninth National Bank, New York; Col. and Ex., $4.80; proceeds to our credit.

No. 27, J. Dorman, $3200, remitted to Fifth National Bank, Pittsburgh; Col. and Ex. $3.20; proceeds to our credit.

No. 31, J. Rogers, $4000, remitted to First National Bank, Detroit; Col. and Ex $4; proceeds to our credit.

No. 41, Geo. S. Willis, $1960.50; remitted to Valley National Bank, St. Louis; Col. and Ex., $2; proceeds to our credit.

Total Col. and Ex., $26.50.

The Discount Register is now closed and the results carried to the General Cash Book, as follows: *Credits:* J. W. Strong, $*****; G. O. Bishop, $****.**; J. Mandell & Son, $****.**; Marshall Field & Co., $***, $****.**; L. Johnson, $****.**; Lyman Trumbull, $****.**; W. O. Lunt, ****.**; J. W. Webster, $****.**, $***.**; H. Trowbridge, $****, Discount, $***.**; Col. and Ex., $**.**. *Debits:* Loans and Discounts—J. W. Strong, No. 38, $****; J. Mandell & Son, No. 39, $****; G. O. Bishop, No. 40, $****; Geo. L. Willis, No. 41, $****.**; J. R. Wilson, No. 42; $***; S. Morton, No. 43, $****; J. L. Robertson, No. 44, $****; J. G. Rowland, No. 45, $****; Geo. I. Elliott, No. 46, $***; Henry Huffmeyer, No. 47, $****; W. F. Parsons, No. 48, $****; Browning, King & Co., No. 49, $****; John D. French, No. 50, $***; Henry Trowbridge, No. 51, $****; O. E. Hamilton, No. 52, $***: Interest, $**.**.

G. C. B.

The Receiving Teller's Cash Book is now closed and the results carried to the General Cash Book. Total Deposits, $36132.40; Col. and Ex., $56.52.

The Paying Teller's Cash Book is now closed and the results carried to the General Cash Book. Total Checks, $27580.72.

Cash on hand per G. C. B., $325987.44.

JUNE 1.

Sold E. L. Brewster & Co. for Cash, 20 Chicago City 4% Bonds, $100 each, at 108⅞.

Paid Cash for Sundry items of Expense, $9.80.

Received the following paper for collection:

*From S. P. Bowman:* His Draft on Geo. R. McCabe, Mansfield, Ohio, for $625 at 30 ds from May 28, which we have remitted to Farmers & Merchants Bank of Mansfield for collection.

*From A. M. Harkness, Duluth, Minn.:* His Draft on Phelps, Dodge & Palmer for $900 at sight, payable at 218 Monroe St.

*From J. Mershon:* His Draft on Wells & Smith, Burlington, Ia., for $920 at 60 ds. from June 5, which we have remitted to First National Bank, Burlington, for collection.

*From L. L. Dodson, Decatur, Ill.:* His Draft on J. R. Winchell for $1100 at 30 ds. from June 2, payable at 55 State St.

*From J. H. Provine, Macomb, Ill.:* His Draft on C. E. Culver & Co., for $1800 at sight, payable at our Bank.

*From Marshall Field & Co.:* Their Draft on W. C. Doolittle & Co., St. Louis, Mo , for $500 at 30 ds. from May 20, which we remit to Valley National Bank for collection. C. F. Anderson's (Iowa City, Ia.) Note for $800 at 60 ds. from May 27, with Interest at 6%, which we remit to First National Bank, Iowa City, for collection.

*From M. W. Fuller, Grand Haven, Mich.:* His Draft on C. C. Thompson & Co., 494 Blue Island Ave., for $3560 at 30 ds. from May 24, payable at the office of C. C. T. & Co.

*From Lyman Trumbull:* Henry F. Mason's (Utica, N. Y.) Note for $925 at 90 ds. from May 28, with Interest at 7%, endorsed by Lyman Trumbull, which we remit to Ninth National Bank for collection. His Draft on Jackson Bros., Bloomington, Ill., for $360 at 60 ds. from May 18, which we remit to the First National Bank of Bloomington for collection.

*From S. A. Kent & Co., Moline, Ill.:* Their Draft on S. H. Karner for $800 at 90 ds. from May 27, payable at our Bank.

*From R. Chambers, Albany, N. Y.:* His Draft on A. C. McClurg & Co., for $850 at 60 ds. from June 2, payable at our Bank.

*From J. R. Price:* His Draft on Sidney A. Howard, Detroit, for $1900 at 90 ds. from June 3, which we remit to the First National Bank, Detroit, for collection.

*From J. Mandell & Son:* W. L. Pierce's (Boston) Note for $2000 at 90 ds. from April 30, with Interest at 6%, endorsed by J. Mandell & Son, which we remit to J. G. Easton & Co., Boston, for collection. Their Draft on E. A. Clifford & Co., Rome, N. Y., for $1600 at 60 ds. from June 3, which we remit to Ninth National Bank for collection.

*From First National Bank, Detroit:* O. W. Potter's Draft on Marshall Field & Co. for $4000 at 30 ds. from June 4, payable at M. F. & Co.'s office. J. C. Dunlap's Note for $180 at 90 ds. from May 16, endorsed by Henry Miller, payable at our Bank. R. R. Street's Acceptance for $3000 at 30 ds. from May 24, drawn and endorsed by Henry R. Hamilton, payable at 135 Wabash Avenue.

*From Second National Bank, Omaha, Neb.:* E. B. Roach's Draft on L. Johnson, for $4500 at 60 ds. from June 5, endorsed by J. T. Daily, payable at our Bank. Henry Watson's Draft on A. C. Whiting for $3600 at 90 ds. from June 1, endorsed by E. S. Davidson, payable at our Bank. L. Johnson's Note for $3200 at 60 ds. from May 18, endorsed by Q. C. Ward, payable at L. Johnson's store.

*From Ninth National Bank, New York:* Geo. B. Jones' Draft on Cameron, Amberg & Co. for $2800 at 30 ds. from June 1, payable at our Bank. A. L. Howard & Co.'s Draft on H. Worthington for $600 at 60 ds. from June 4, payable at 216 Clark St. D. T. Ames' Draft on J. L. Lathrop for $900 at 90 ds. from May 28, payable at our Bank. J. V. Farwell's Note for $5000 at 90 ds. from May 25, with Interest at 7%, endorsed by A. C. Bartlett, payable at our Bank. C. C. Cochran's Note for $250 at 60 ds. from May 27, with 6% Interest, endorsed by C. J. Harris, payable at 129 State St.

*From Valley National Bank, St. Louis:* W. H. Martin's Draft on J. Mershon for $1600 at 60 ds. from June 5, payable at our Bank. J. G. Cross' Note for $1000 at 90 ds. from May 20, endorsed by A. L. Crandall, payable at 69 Dearborn St. Allen & Poe's Draft on M. Amos for $350 at 30 ds. from May 18, payable at our Bank. A. Lyons & Co.'s Note for $1400 at 90 ds. from May 27, endorsed by C. A. Banker, payable at Continental National Bank, City.

Discounted the following paper:

*For J. V. Farwell:* C. H. Dexter's (St. Louis) Note for $4000 at 60 ds. from May 28, favor J. V. Farwell, endorsed by H. Brown. Discount off, 59 ds. at 8%, $**.**. Col. and Ex., $4. Proceeds to the credit of J. V. Farwell. Remitted same to Valley National Bank for collection.

*For C. O. Godfrey:* His Note for $2500 at 90 ds. from June 1, favor our Bank, endorsed by W. A. Olmstead, payable at our Bank. Discount off, 93 ds. at 8%, $**.*7. Proceeds to the credit of C. O. Godfrey.

*For L. Johnson:* His Draft on A. W. Paxton, Pittsburgh, for $1800 at 60 ds. from May 25, favor our Bank. Discount off, 56 ds. at 8%, $**.**. Col. and Ex., $1.80. Proceeds to the credit of L. Johnson. Remitted same to Fifth National Bank, Pittsburgh, for collection. W. K. Nathan's (Detroit) Note for $2865.75 at 2 months from May 20, favor David Black, endorsed by L. Johnson. Discount off, 52 ds. at 8%, $**.12. Col. and Ex., $2.85. Proceeds to the credit of L. Johnson. Remitted same to First National Bank, Detroit, for collection.

*For J. B. Floyd:* D. R. Lindsay's Note for $725.00 at 3 months from April 19, with Interest at 6%, favor J. B. Floyd, endorsed by L. J. Gage, payable at Union Trust Co. Interest on same to maturity, $**.**. Discount off, 51 ds. at 8%, $*.*5. Proceeds paid in Cash.

*For Julius Bauer:* J. R. Price's Note for $1600 at 30 ds. from June 1, favor Julius Bauer, endorsed by C. C. Kohlsaat, payable at Merchants' National Bank. Discount off, 32 ds. at 8%, $**.*8. Proceeds paid in Cash.

*For M. L. Pierson:* John H. Bradford's Draft on Geo. W. Ellis & Co., St. Louis, for $1250 at 90 ds. from May 27, favor M. L. Pierson, with Exchange. Discount off, 88 ds. at 8%, $**.**. Proceeds paid in Cash.

*For Marshall Field & Co.:* Their Draft on Louis Knight, New York, for $4800 at 90 ds. from June 10, our favor. Discount off, 103 ds. at 8%, $***.*7. Col. and Ex., $4.80. Proceeds to the credit of Marshall Field & Co. Remitted same to Ninth National Bank for collection. A. H. Blackall's Note for $6000 at 60 ds. from May 15, favor Marshall Field & Co. and by them endorsed, payable at 278 State St. Discount off, 46 ds. at 8%, $**.**. Proceeds to the credit of Marshall Field & Co.

*For J. Mandell & Son:* Henry Carson's Note for $3000 at 90 ds. from May 30, favor A. B. Wilson, endorsed by J. Mandell & Son, payable at Merchants' National Bank. Discount off, 91 ds. at 8%, $**.*7. Proceeds to the credit of J. Mandell & Son.

*For A. S. Vantress:* His Draft on A. R. Dunton, Boston, for $5000 at 30 ds. from June 10, favor our Bank, with Exchange. Discount off, 42 ds. at 8%, $**.**. Proceeds paid in Cash. Remitted same to J. G. Easton & Co.; Boston, for collection.

*For J. W. Ostrander:* G. M. Wilson's Note for $500 at 1 month from May 28, favor J. W. Ostrander and by him endorsed, payable at Union National Bank. Discount off, 30 ds. at 8%, $***. Proceeds paid in Cash.

*For A. B. Stilwell:* John McBride's (St. Louis) Note for $1850 at 60 ds. from May 28, favor A. B. Stilwell, with Interest at 8%. Interest on same to maturity, $**.**. Discount off, 59 ds. at 8%, $**.*9. Col. and Ex., $1.85. Proceeds paid in Cash. Remitted same to Valley National Bank for collection.

*For J. Mershon:* His Draft on Chas. J. Hunt, New York, for $3620 at 90 ds. from June 10, favor our Bank, with Exchange. Discount off, 102 ds. at 8%, $**.**. Proceeds to the credit of J. Mershon. Remitted same to Ninth National Bank for collection.

Sold the following Drafts:

To A. M. Devoe, on Fifth National Bank, Pittsburgh, No. 8, $800; Exchange, $1. To Samuel Beem on Ninth National Bank, New York, No. 18, $500; Exchange, 50¢. To Anson D. Stager, on First National Bank, Detroit, No. 14, $1000; Exchange, $1. To J. Mershon, on Valley National Bank, St. Louis, No. 13, $1600; Exchange, $1.60. To Ira Brown, on Ninth National Bank; New York, No. 19, $4000; Exchange, $4. To D. E. Fiske, on Fifth National Bank, Pittsburgh, No. 9, $6200; Exchange, $6.20. To L. W. Walton, on Ninth National Bank, No. 20, $300; Exchange, 50¢.

Received the following deposits:

J. W. Strong, $1860; Col. and Ex., $1.50; Henry Trowbridge, $1480; Samuel Beem, $800; Col. and Ex., 50¢; J. Lewis, $600; Daniel Drew, $2965.40; Col. and Ex., 50¢; H. Whiteman, $1804.60; J. Mandell & Son, $1965.80; Col. and Ex., $1.25; Andrew Paxton, $1780.50; J. Mershon, $2775.40; J. W. Webster, $7642.80; Lyman Trumbull, $7328.60; Col. and Ex., $1; W. O. Lunt, $479.30; Marshall Field & Co., $12865; W. J. Little, $653.80; J. V. Farwell, $6834.20; G. O. Bishop, $2586.32; Col. and Ex., $1.25; J. Burchard, $267.50; M. Amos, $625.40; Henry Miller, $418.30.

Certified the following Checks:

For W. J. Little, $218; G. O. Bishop, $367.80; J. W. Webster, $1400; J. Mershon, $500; Marshall Field & Co., $12000.

Issued the following certificates of deposit:

To John H. Pitkin, $150; A. L. Dunbar, $200; Simon Rosenfeld, $600; H. W. Clifford, $200; B. F. Norris, $1000.

The following Drafts and Checks, received among the deposits this day, have been forwarded for our credit as per Remittance Register:

To Ninth National Bank, New York, amounting to $3285.40; to Valley National Bank, St. Louis, $2367.40; to First National Bank, Detroit, $3645.80; to Fifth National Bank, Pittsburgh, $4465.82.

Paid the following Checks:

Lyman Trumbull, $485.30, $175.25; G. O. Bishop, $1500, $16.50; W. Holmes & Co., $1465.30, $186.20; H. Andrews, $125, $865.30, $50; L. Johnson, $4865.30, $215, $500; H. Whiteman, $500, $218.60, $315.45; J. V. Farwell, $1600, $800, $275.40, $416.30; J. W. Webster, $185.40, $164.32; J. W. Strong, 165.32, $418.50; A. A. Mead, $145.80, $213.65, $45; W. O. Lunt, $245.80, $162.30; Andrew Paxton, $416.20, $163.50; Henry Miller, 413.60, $218.50, $45; Marshall Field & Co., $1865.30; $10004.75, $563.25, $214.62; Samuel Beem, $28.65, $145.30, $214.36; S. H. Karner, $148.30, $214.35, $60.

Paid the following Certified Checks:

H. Andrews, $5000; S. H. Karner, $218.50; Samuel Beem, $185; G. O. Bishop, $367.80; J. Mershon, $500.

Paid the following Certificates of Deposit:

W. L. Barbour, $500; A. H. Hosmer, $350; Amos Zumbro, $1000.

The following collections have been paid at this Bank, the proceeds of which we credit to the owners:

No. 47, Fifth National Bank, Pittsburgh, $****.**, with Exchange, $3.62. No. 48, $****.**; Col. and Ex., $6.40. No. 82, $***; Col. and Ex., 90¢. No. 69, Valley National Bank, St. Louis, $***.**; Col. and Ex., 50¢. No. 112, $***; Col. and Ex., 35¢. No. 72, Ninth National Bank, New York, $****.**; Col. and Ex., $8.62. No. 101, First National Bank, Detroit, $****; Col. and Ex., $3.

The following collections have been paid at this Bank, the proceeds of which we remit to the owners:

No. 64, A. Reed & Co., Amboy, Ill., $***.**; Col. and Ex., 50¢; remitted by Draft No. 14 on Valley National Bank, St. Louis. No. 85, A. M. Harkness, Duluth, Minn., $***; Col. and Ex., 90¢; remitted by Draft No. 15 on First National Bank, Detroit. No. 88, J. H. Provine, Macomb, Ill., $****; Col. and Ex., $1.80; remitted by Draft No. 15 on Valley National Bank, St. Louis. No. 91, M. W. Fuller, Grand Haven, Mich., $****; Col. and Ex., $3.50; remitted by Draft No. 16 on First National Bank, Detroit.

The following collections, remitted to other Banks for collection, have been heard from as follows:

No. 52, J. Harris, $****, remitted to Ninth National Bank, New York, paid; Col. and Ex., $2.46; proceeds placed to our credit, which we credit to J. Harris. No. 57, J. V. Farwell, $***, with Exchange, remitted to Valley National Bank; paid and placed to our credit, which we credit to J. V. Farwell. No. 61, Marshall Field & Co., $****.**, remitted to First National Bank, Indianapolis, paid; Col. and Ex., $2.60; proceeds remitted to us, which we credit to Marshall Field & Co. No. 84, S. P. Bowman, $***, remitted to Farmers & Merchants Bank, Mansfield, Ohio, paid; Col. and Ex., 75¢; proceeds remitted to us, which we credit to S. P. Bowman. No. 89, Marshall Field & Co., $***, remitted to Valley National Bank, paid; Col. and Ex., 50¢; proceeds placed to our credit, which we credit to Marshall Field & Co. No. 51, Marshall Field & Co., $****, remitted to State Savings Institution of Kansas City, protested and returned; Protest Fees, $2.50, which we have remitted by Draft No. 16 on Valley National Bank and collected from Marshall Field & Co. No. 59, J. Hoffmyer, $***, remitted to Second National Bank, Bloomington, Ill., protested and returned; Protest Fees, $2.50, which we have remitted by Draft No. 17 on Valley National Bank and collected from J. Hoffmyer.

The following Discounts, falling due and payable at this Bank as per Tickler have been paid:

No. 24, H. Worthington, $****; No. 37, R. R. Donnelly, $*****; No. 39, J. Mandell & Son, $****; No. 43, S. Morton, $****; No. 48, W. F. Parsons, $****.

The following Discount, due and payable at this Bank, has been protested for non-payment:

No. 46, Geo. I. Elliott, $***. We have returned the paper, with Certificate of Protest attached, to Thos. Kane, who has taken up same with his Check.

The following discounts, which have been remitted to other Banks for collection, have been paid, as per notices received:

No. 25, M. Durant, $****, remitted to Fifth National Bank, Pittsburgh; Col. and Ex., $8.64; proceeds to our credit.

No. 30, W. Hunter, $****, remitted to Ninth National Bank, New York; Col. and Ex., $7.20; proceeds to our credit.

No. 34, A. Winne, $****, remitted to State National Bank, Springfield, Ill.; Col. and Ex., $6, proceeds remitted to us.

No. 35, R. O'Dell, $****, remitted to Valley National Bank, St. Louis; Col. and Ex., $4.50, proceeds to our credit.

No. 49, Browning, King & Co., $****, remitted to Omaha National Bank, Omaha, Neb., protested and returned; Protest Fees, $2.50, which we have remitted by Draft No. 18 on Valley National Bank. We have returned the paper, with Certificate of Protest attached, to J. W. Webster, who has taken same up by his Check.

Total Col. and Ex., $26.34.

The Discount Register is now closed and the results carried to the General Cash Book, as follows: *Credits:* J. V. Farwell, $****.**; C. O. Godfrey, $****.**; L. Johnson, $****.**; $****.**; Marshall Field & Co., $****.**, $****.**; J. Mandell & Son, $****.**; J.

Mershon, $****.**; Discount, $***.**; Col. and Ex., $**.**. *Debits:* Loans and Discounts—C. H. Dexter, No. 53, $****; C. O. Godfrey, No. 54, $****; A. W. Paxton, No. 55, $****; W. K. Nathan, No. 56, $****.**; D. R. Lindsay, No. 75, $***.**; J. R. Price, No. 58, $****; Geo. W. Ellis & Co., No. 59, $****; Louis Knight, No. 60, $****; A. H. Blackall, No. 61, $****; Henry Carson, No. 62, $****; A. R. Dunton, No. 63, $****; G. M. Wilson, No. 64, $***; John McBride, No. 65, $****; J. Hunt, No. 66, $****; Interest, $**.**.

The Receiving Teller's Cash Book is now closed and the results carried to the General Cash Book. Total Deposits, $55712.92; Col. and Ex. $50.89.

The Paying Teller's Cash Book is now closed and the results carried to the General Cash Book. Total Checks, $31036.67.

Cash on hand per G. C. B., **$404537.08**

The Directors have decided to close the books on June 30, declare a dividend, and make out a statement of the condition of the Bank for publication. They find on hand:

| | |
|---|---|
| Furniture and Fixtures valued at | $ 4200 |
| U. S. Bonds, worth | 112475 |
| Chicago City 4% Bonds, worth | 3300 |
| Illinois Central R. R. Bonds, worth | 2600 |

The National Banking Law requires that ten per cent. of the net profits shall be carried to the Surplus Fund until such fund shall equal twenty per cent. of the capital stock of the Bank. Of the remaining profits, a sum sufficient to make an even per cent. upon the capital stock of the Bank will be declared a dividend, and the remainder of the profits carried to "Undivided Profits" account. The directors have decided to declare a three per cent. semi-annual dividend.

The net profits, as shown by the Profit and Loss account, are $8104.11, ten per cent. of which ($810.41) we carry to "Surplus" account. A dividend of three per cent. on the capital stock will be $6000 of the profits, which we carry to the credit of "Dividend No. 1" account and the remainder, $1297.39, we carry to the credit of "Undivided Profits" account.

The student will make the above entries in the Profit and Loss account in red ink, and transfer them in black ink to "Surplus," "Dividend No. 1," and "Undivided Profits" accounts. When the dividend is paid in cash to the stockholders, "Dividend No. 1" account will be charged. If any of the stockholders are depositors, their dividends may be carried to the credit of their respective accounts in the "Deposit Ledger," to be withdrawn at their pleasure.

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## STATEMENT

OF THE CONDITION OF THE

## FIRST NATIONAL BANK

OF

CHICAGO, ILL.,

AT THE CLOSE OF BUSINESS, JUNE 30, 18—

RESOURCES.

| | | |
|---|---|---|
| Loans and Discounts, | $88380.75 | |
| U. S. Bonds to secure circulation, | 112475.00 | |
| Other Stocks, Bonds and Mortgages, | 5900.00 | |
| Due from other Banks, | 85083.95 | |
| Furniture and Fixtures, | 4200.00 | |
| Cash, | 404537.08 | |
| | | $700576.78 |

LIABILITIES.

| | | |
|---|---|---|
| Capital Stock paid in, | $200000.00 | |
| Surplus Fund, | 810.82 | |
| Undivided Profits, | 1297.39 | |
| Unpaid Dividends, | 6000.00 | |
| Circulation, | 90000.00 | |
| Individual Deposits subject to check, | 378373.57 | |
| Certificates of Deposit, | 5550.00 | |
| Certified Checks, | 18549.10 | |
| | | $700576.78 |

## QUESTIONS FOR REVIEW.

1. What is a Bank? 2. How does a Bank benefit a community? 3. Why is a Bank called the "Balance wheel of commerce"? 4. What is a Commercial Deposit? 5. What is a Savings Deposit? 6. What are the advantages to be derived from keeping a Bank account? 7. In what way do Banks loan money? 8. What is a "correspondent" in banking? 9. What is Exchange? 10. What is Collection? 11. How do Banks issue a circulating medium? 12. In whom is the executive management of a Bank usually confided? 13. What are the duties of a Bank President? 14. What are the duties of the Cashier? 15. What are the duties of the Paying Teller? 16. What constitutes the work of the Receiving Teller? 17. What is the business of the Discount Clerk? 18. What of the responsibility of the Discount Clerk's position? 19. In large Banks, how is the book-keeping divided? 20. What is the business of the General Book-keeper? 21. Of the Deposit Book-keeper? 22. Explain the form and use of the Receiving Teller's Cash Book. 23. Explain the form and use of the Paying Teller's Cash Book. 24. What place in a set of banking books does the General Cash Book hold, and how is it ruled? 25. What accounts are opened in the General Ledger? 26. What accounts are opened in the Deposit Ledger? 27. What is the nature and object of the Discount Register? 28. To what book are the results of the Discount Register carried daily? 29. Where is the total of Notes and Drafts discounted carried from the Discount Register? 30. Where are the proceeds of paper discounted carried from the Discount Register, and how entered? 31. Where do we carry the total of the Discount column? 32. What account in the General Ledger represents the results from the Discouut Register? 33. What is the form and use of the Collection Register? 34. Is any entry made of paper left for collection, in the principal books of the Bank, until such paper is collected? 35. Why? 36. What is the object of a "Tickler"? 37. What is the object of a Remittance Register? 38. What is the object of a Draft Register? 39. What is the object of a Discount Ledger? 40. Suppose you receive a Deposit, where and how do you enter it? 41. In case you pay a Check, where and how do you enter it? 42. In case a Check is deposited, how would it be treated? 43. What entry is made, and in what books, when Checks are certified? 44. When a Certificate of Deposit is issued, where and how is it entered? 45. When a Loan or Disccunt is made, where and how is it entered? 46. When a "Collection" is paid, where and how is the entry made? 47. When a "Discount" is paid, where and how is the entry made? 48. Whose property are "Collections"? 49. Whose property are "Discounts"? 50. When Discounts have been paid abroad, what entry is made? 51. When Drafts are sold, what entry is made? 52. What is done each day with Checks and Drafts on out-of-town Banks? 53. What must the total of the balances of the Deposit Ledger agree with? 54. What is a Cashier's Check, and what is it used for? 55. Who does the protesting of paper in a Bank? 56. Is it necessary that the Bank should have an account with Protest Fees? 57. What is the requirement of the National Banking Law with reference to a "Surplus Fund"? 58. What is carried to "Undivided Profits" account? 59. What facts are shown by the Bank "Statement"? 60. If a Stockholder is also a depositor, how may his Dividend be carried to his credit?

# How to succeed.

"There is no easy road to success. I thank God for it. * * A trained man will make his life tell. Without training you are left on a sea of luck, where thousands go down while one meets with success. *Training*, with brain work, is what will bring success. Your work cannot extemporize success; it must be wrought out with patience and toil."—James A. Garfield.

In the conclusion of this book, allow me to remind the student that the ability to keep accurately and neatly the accounts and books of a business is too often erroneously regarded, by the young and inexperienced, as the sum of business ability, whereas, in fact, book-keeping is only an *incident* to business. It is the art and science of recording the results of business transactions. The best kept books can never put a dollar in the cash drawer, but they may save hundreds from unnecessarily going out, if there has been sufficient talent in conducting the business to put them in. Good book-keeping tends to save and turn to profitable use that which is already made, and, by its records of the past, throw light on the future for the guidance of him who manages and directs the affairs of the concern. Book-keeping is subordinate to the *business,* for without some business having been done, no book-keeping is necessary. Viewed in this light, it will be readily seen that the great consideration is the actual and practical operation of *transacting business.* In order to succeed in this there are certain conditions and requisites which are of vital importance, and will be briefly considered here.

## PUT ENERGY INTO YOUR WORK.

This is essential to even moderate success. The man of energy controls circumstances otherwise unfavorable, and opens up avenues by which he advances to honor and wealth. The reason the sons of so many rich men are comparative failures is the want of energy. They have the ability to succeed as did their fathers, but they lack that stimulus which excites energy and calls into action the full strength of manhood. Energy is the active principle in man. It is the force which impels over and around all obstacles. The Almighty has planned that success cannot be attained without a struggle. Having made an effort,

## PERSEVERE IN IT.

Never give up or leave the enterprise you have considerately selected for others that, for the moment, may appear more promising. A business is not built up in a month nor a year. Experienced men tell us that it matters not *what* a person engages in, by *perseverance* he will succeed. Many men have prosecuted, with energy and ability, some enterprise until just on the eve of success, when, shutting their eyes to the prospects of reward, they abandon the project or sell out their chance to a new-comer, who steps in and enjoys the fruits of their labor; while they, allured by other schemes, start anew at something else which promises speedier results, only to repeat the failure.

Want of perseverance often comes from levity of mind. Some people seem to think that life is a grand holiday and business a plaything. When, under such circumstances, they do not meet with success, they are like children with toys, dissatisfied, and want something new or different. Others are possessed with an overweening conceit, not always supported by corresponding ability, and the consequence often is, if success does not follow their efforts as quickly as they expected, the occupation is at fault, and to keep up the conceit of superior abilities the occupation is changed to something more promising. Changes are always dangerous.

## BE PROMPT.

This is a quality of the greatest importance to the business man. Depend on strengthening your credit by prompt payment of all engagements, rather than by outside display in living, dressing or equipage. If possible, meet all obligations promptly, but this cannot always be done, and in such case, make a plain, strightforward statement *beforehand*, and ask an extension. To a man who is prompt and business-like, almost any creditor will cheerfully grant an extension of the time. Those who give credit have no anxiety about such debtors.

The prompt business man resolves as he closes his store at night, and is off on the first train in the morning. While others are hesitating, he gets the first selection of the new goods. He hears that one of his debtors is in trouble, and at once he is there to obtain security for his debt, while other creditors arrive a day or two after the sheriff has taken possession.

## KEEP YOUR PLEDGES.

Do as you agree. Nothing weakens faith in men so much as quibbling, "beating about the bush," and attempts at evasion of promises. Men often damage their reputation irreparably by backing out of a bargain, or breaking faith, to save a few dollars. Do not sell yourself so cheaply. No; do as you agree and abide by the consequences. You will thus soon learn to be exceedingly careful what you agree to do. Make "your word as good as your bond."

Study to acquire a

## KNOWLEDGE OF HUMAN NATURE.

This is the ability to penetrate into other men's minds, to discover their motives, and predict their actions. The working of the mind is indicated by the countenance, the tone of the voice, or a tremor of the nerves, and by observation of these we have an indication of what the person's action will be. The study of these things is said to be the study of human nature, and is of the greatest value in business life. We can readily see the more prominent indications of anger, fear, etc., but to be able to read the mind and see the inner motives and desires of those with whom we come in contact, is one of the most valuable traits, since it enables us to suit our words and actions to the case.

## A GOOD MEMORY

will add much to your success in business life. The merchant who remembers his customers and calls them by name, no matter how long their absence, will have a large trade. When we go into a store to buy, thinking that we are almost a stranger there, and are addressed by name and reference made, perhaps, to our former visit, or to some circumstance connected with our home or near friends, the recognition seems very affable and pleasant, and we are induced to purchase. On the other hand, the reverse feeling is produced if, upon entering a place where we think we ought to be known, we are met by a scrutinizing gaze and treated as a stranger, A defective memory can be greatly improved by practice and exercise in trying to remember names, faces or figures. It has been the key to the success of many.

## KEEP YOUR OWN COUNSEL.

Learn all you can of what is going on around you, but communicate little. Never make a *parade* of your business, but go about it quietly and transact it in a business-like way. Do not boast of your profits. Do not go about telling people what you are doing or what you propose to do. The successful business man, like the successful general, conceals his plans until he has fully matured and perfected them, and until the proper time for them to be known. Young men in the employ of others should know that their employers' business is their secret, to be kept strictly confidential. There are some people who can hardly keep a secret. It rankles and burns in their brain, and they have no rest until it is disclosed to some one. Such persons will never attain a high degree of success.

## A PLEASANT MANNER

is of great advantage to the business man in securing custom. A gruff tone of voice or surly look often loses a customer, when no harsh feelings are intended. A courteous and considerate regard for the feelings of others, manifested by pleasant words or looks, has been the means of many a success in business life. Some men are so unhinged by any trifling circumstance of an unpleasant character as to be moody and irritable for a day afterward.

## FORESIGHT.

The faculty of looking into the future and divining what will come to pass is of supreme importance in business life. The greatest success in business is found where this qualification is greatest. The man of foresight has just the articles that are in greatest demand. He owns acres of land now sought at high prices for building lots. Others say he is "in luck," but the truth is, he foresaw the demand and prepared for it. It was not luck, but calculation.

## DEPEND ON YOUR OWN EFFORTS.

There is no short cut, no royal road to permanent success. Thousands have tried to find one, but they have all failed, *miserably failed.* Not advantages of birth, or wealth; neither genius, nor opportunity, make the man, but *his own efforts;* his own right arm and manly enterprise—they achieve for him success, and wealth, and renown.

*Do not be mercurial.* Extraordinary success should not unduly elate you; nor, on the other hand, should discouragements easily depress you. A varying success is what you may expect; only do your duty.

## CHOOSING A BUSINESS.

In selecting a business for your life work, several points should be carefully considered:

First, Choose an honest business.

Second, Choose a business which is agreeable to your tastes.

Third, Choose a business of which you have, or can acquire, a thorough knowledge of the details.

Fourth, Choose a business for which you have sufficient capital.

Fifth, Choose a business that gives reasonably certain promise of fair profit.

## KEEP YOUR MONEY IN YOUR BUSINESS.

Most people begin with but little money. Keep yours in your business. Do not on the start, invest in even a house to live in, for it will be much better for you to rent one, and have the money to turn over again in trade. You will find numerous temptations to invest to advantage outside of your business. You will be solicited to take some mining stock, or invest in a hotel promising immense profits, or take a "flyer" on the stock or grain market. Let these things *severely alone* until you can afford to lose what you thus invest.

## BUYING GOODS.

"Goods well bought are half sold" is an old adage, and true as old. One merchant may buy his goods a full profit cheaper than his rivals, so that he could sell to them at the same prices they pay and yet make a fair living by it. A good buyer must have a reasonable amount of suavity and politeness, the same as a good salesman. If a man's manner is hard, imperious, and domineering, characteristics which buyers sometimes like to assume, even when they are not natural, as if they were conferring a great favor on the seller by patronizing him, he will find that concessions in prices are rarely made to him, nor are the most desirable goods put forward when he inquires. Sellers who put up with disagreeable customers usually do so for the sake of the extra profit

they get from them. The habit of "beating down" is a bad one for both buyer and seller. When a man has established his reputation as one who always insists on a reduction from the asked price, there will always be sellers who will take advantage of him, and who pride themselves on getting better prices from such men than from others. The buyer and seller should be on friendly, and, to some extent, mutually confidential relations. For this reason it is not wise for a buyer to patronize too many different houses, or to be constantly changing from one house to another, especially if buying on credit. Should a time of depression in business come, it would be difficult for him to obtain extensions on bills due to strangers. Establish your business relations with a few good houses and stick to them as long as they treat you right. They will soon learn to value you as a permanent customer, and will give you the best goods and the lowest prices, and should you need an extension in credit, you can get it without trouble, or without humiliating yourself by asking favors of strangers.

## SELLING GOODS.

This lies at the foundation of business success. Without custom is secured and goods are sold, all is a failure. To be a good salesman requires a high order of ability. The successful salesman must have a knowledge of the goods he sells, their origin, peculiarities and advantages over other goods of similar character. He must have a knowledge superior to that possessed by the person he sells to, for ignorance on the part of the salesman breeds lack of confidence in the buyer, and this destroys the sale. If the salesman can give some suggestions which are clearly to the interest of the buyer, as to the best kind of goods adapted to a certain purpose, this strengthens confidence. A salesman should not only have a neat personal appearance, but the ability to express his ideas clearly, fluently and deferentially, together with an acuteness of mind and knowledge of human nature, which enables him to know just when to speak, how to speak, and when to keep silent. This knowledge of human nature is the key to the salesman's success. A good salesman always manifests a desire, not only to sell goods, but a desire also that his customer should be satisfied, and a willingness to exhibit his wares in even greater variety than they are asked for. If the goods are shown with reluctance as if it were an inconvenience, or if the salesman manifests discontent or impatience because the buyer wishes to examine the goods thoroughly, or if the salesman's speech is rude, insolent, clownish or arrogant, as if he felt he occupied a position of importance as compared to the buyer, or if he shows temper or an ill-natured disposition because his statements as to the quality and price of the goods are not at once accepted, it is not to be expected that the buyer will buy there, or even be attracted to revisit the store or recommend others to do so.

A want of life, spirit and animation on the part of the salesman often induces a similar state in the customer, who finally ends the interview with: "It doesn't matter now; I will call again when I need it." An hour later the same gentleman buys an article identically the same in a rival store, led thereto by the anxiety and animation of the salesman.

Persons are differently constituted. No two persons arrive at the same conclusion by precisely the same chain of reasoning or from the same view of circumstances, and the knowledge of human nature and tact of the salesman must be employed to bring the customer to the point of buying. One man can only be brought there by fair argument on the merits of the goods. He wants to hear the *pros and cons*. Another comes to his conclusion to buy because the salesman is a "good fellow." Another needs to be told what he wants. Others go by contraries and are suspicious. Any attempt on the part of the salesman to show the merits or advantages of the goods, and they conclude at once that he must have some sinister motive. A good salesman must not only know his goods, but he must know the qualities and characters of those who are his customers. To some buyers the less said the better. Some salesmen talk too much. In some cases a compliment to the judgment of the buyer wins a sale. No rule can be laid down for the guidance of the salesman in all cases, but each must be treated according to its peculiarities. The same qualities which make the successful salesman secure custom in other departments of business.

## CREDIT.

You may find it necessary to transact business on credit to some extent. Remember that the best way to obtain credit is to demonstrate your ability to get along without it, and the way to preserve your credit is to not use it much. Many persons suppose that credit is something which can be created out of nothing, and hence they resort to all manner of tricks and schemes to obtain it; whereas credit is a natural growth from mercantile confidence, founded on the belief that he in whom confidence is reposed is in no need of credit to insure his prosperity. The first requisite in creating confidence is sufficient capital. When to this is added business ability, honesty, industry, economy and good health, the list is nearly complete. Having established confidence by means of these requisites, you will soon find more goods offered to you on credit than you can use to advantage. Do not attempt to magnify your capital or palm off exaggerated stories concerning your business or its profits.

## PARTNERSHIPS.

In selecting a partner, choose one who will bring to the management of the business that in which you are lacking. If you have sufficient capital, but lack in skill and experience, your partner should supply these essentials. If you are timid, hesitating or overcautious, your partner should be a bold, enterprising man. Again, there should be a clear understanding between the contemplated partners as to the duties each shall perform. The labor of the business should be fairly divided between the partners according to their abilities. Although there should be a diversity of talent, there must be harmony of views among partners in reference to the best methods of conducting the business. As a general rule, it is best not to enter into partnership with relatives, for the reason that such co-partnerships are not apt to be conducted strictly on business principles, and hence often lead to personal feeling, which should at all times be avoided. Partners, as a rule, should hold similar views on all social, political and moral questions; not that these have any connection with the business, but that such views are necessary to harmony among associates. Persons of different nationalities are not apt to agree well together. It is well to have a written partnership contract, not only for the sake of the agreement itself, but because the inception of the idea of a written agreement leads to a fuller discussion between the parties as to the matters connected with the partnership business, by which each one more fully understands his duties and the wishes and expectations of his partners.

## THE BUSINESS MAN SOCIALLY.

Cultivate friends and acquaintances in business. The former are won by years of honesty and integrity, but the latter are the daily reward of a courteous and affable demeanor. You may succeed without giving much thought to the social side of your nature, but you will be compelled to labor a lifetime for the same reward you could have obtained in a few years. Enlarge the circle of your acquaintance among those who are so situated in life as to become your customers as far as you can without taking too much time from your business. Do not consider an hour or an evening taken ocasionally for social interests as entirely lost On the contrary, you should feel a citizen's interest in the moral, intellectual and benevolent enterprises of your neighborhood. The influence of every intelligent and upright business man in a community is beneficial, and it is your duty to exert this influence for the general welfare, not looking for any reward personally, but accepting that compensation which comes from an extended favorable acquaintance.

Beware of being drawn into social matters to the extent of causing a neglect of your business. Do not allow yourself to be president of this, secretary of that and treasurer of the other, so that your time and energy is taken up with these matters to the injury of your business. Do not allow your store or office to become a club-room or a place for political meetings.

# GLOSSARY.

**Acceptance.**—A receiving so as to bind, the agreement to pay a bill or draft.
**Accommodation Paper.**—The loan of commercial paper or credit.
**Accrued.**—Interest or increase due and unpaid.
**Account.**—A statement, an arrangement of debits and credits in relation to any particular person or thing.
**Accountant.**—One who is skilled in keeping accounts.
**Actuary.**—A clerk of certain courts and insurance offices; one skilled in annuities.
**Administrator.**—One who manages an intestate estate.
**Admiralty.**—A body which controls naval affairs in England.
**Court of Admiralty.**—A court which decides questions arising on the high seas.
**Ad valorem.**—According to value.
**Advance.**—Additional price, stocks above par.
**Adventure.**—Property ventured in a voyage; a speculation.
**Advice.**—Counsel given, usually in regard to the purchase and sale of goods.
**Affidavit.**—A declaration under oath made in writing.
**Affreight.**—To charter for the transportation of goods or freight.
**Agent.**—A person who acts for another; a deputy.
**Allowance.**—Abatement; a deduction made for various reasons.
**Ambassador.**—An envoy of the highest rank sent to a foreign government. (See Embassador.)
**Appraise.**—To estimate the value of goods or property.
**Anticipate.**—To take beforehand, or pay before due.
**Appurtenance.**—That which appertains or belongs to something else.
**Arbitration.**—The referring of a controversy to persons chosen by the parties to decide it.
**Arrear.**—That which is behind in payment.
**Assay.**—To determine the amount of a particular metal in an ore or metallic compound.
**Assess.**—To tax, or value for the purpose of taxing.
**Assets.**—Resources, property in possession or money due.
**Assignee.**—One to whom something is assigned, usually one who receives property to dispose of for the benefit of creditors.
**Assignor.**—One who makes a transfer to another.
**Assignment.**—The transfer of property to assignees.
**Association.**—A company of persons united for a particular purpose.
**Assume.**—To take on one's self, or become liable for the debts of another.
**Attachment.**—A writ or warrant for the purpose of taking a person or goods.
**Attest.**—To call to witness or give official testimony, required in solemn instruments.
**Attorney, Power of.**—A document by which a person authorizes another to act in his stead.
**Attorney in Fact.**—(See Agent.)
**Auctioneer.**—One who sells goods at auction.
**Auditor.**—A person authorized to examine or adjust accounts.
**Avails.**—Proceeds of property sold.
**Average.**—A proportional share of a general loss, usually applied to loss of goods at sea; also a mean time of payment for several debts due at different times.
**Bail.**—Surety for another, giving security for appearance on trial.
**Bailee.**—One to whom goods are delivered in trust.
**Bailor.**—One who delivers goods in trust to another.
**Bailment.**—A delivery of goods in trust.
**Balance.**—A term used to denote the difference between the two sides of an account, or the difference of accounts.
**Banking.**—The business of a banker, or pertaining to a bank.
**Bankrupt.**—One who fails in business, or fails to make payment.
**Bank Stock.**—Shares in a banking establishment.
**Barratry.**—Foul practice, particularly any fraud by a ship-master.
**Bidder.**—One who bids, or offers a price or terms.
**Bill.**—A name given to statements in writing; as goods; a note; draft, a law not enacted; exhibition of charges.
**Bill of Exchange.**—An order directing one party to pay another a sum of money.
**Bill of Lading.**—A written account of goods shipped, with terms of delivery.
**Bill of Sale.**—A writing given by the seller of personal property to the buyer.

**Board of Trade.**—An association of business men for the advancement of commercial interests.
**Bona Fide.**—In good faith.
**Bond.**—An instrument by which the party binds himself and heirs to the performance of certain stipulations.
**Bonded Goods.**—Those which are placed in the government warehouse (bonded warehouse) to be held for the payment of duties.
**Bonus.**—A premium, as on a loan, or for a grant or other privilege.
**Bottomry.**—A borrowing of money and pledging a ship to secure the repayment.
**Bottomry Bond.**—A bond given upon a ship to secure the repayment of money borrowed.
**Broker.**—An agent in certain commercial transactions, usually limited to stocks, money, or other articles of value.
**Brokerage.**—The compensation paid or allowed to a broker for his services, a commission.
**Capital.**—Principal sum or stock required to carry on business.
**Cargo.**—A ship's lading or freight.
**Cashier.**—A cash keeper; the financial officer.
**Chancellor.**—A judge of a court of chancery or equity.
**Charter.**—A formal writing, conferring title, right, or privileges.
**Charter Party.**—A writing by which a ship is hired, and the freight, etc., regulated.
**Choses in Action.**—Things of which the owner has not the possession, but merely the right of action for the possession; as notes, accounts, etc.
**Choses in Possession.**—Things of which one has possession.
**Clearance.**—A permit from the custom house allowing a vessel to sail.
**Clearing House.**—A place where the accounts of different banks are adjusted and balances paid.
**Coasting.**—A sailing near land, or trade carried on between ports in the same country.
**Codicil.**—A supplement to a will.
**Commerce.**—Interchange of values or commodities.
**Common Law.**—In Great Britain and the United States, the unwritten law that receives its binding force from immemorial usage, in distinction from written or statute law.
**Commission.**—A percentage for the sale of goods or the transaction of other business.
**Compact.**—An agreement by which the parties are firmly bound together.
**Company.**—An association of persons for a common enterprise.
**Compound.**—To settle on terms different from the original agreement.
**Compromise.**—An amicable adjustment by mutual concessions.
**Consignment.**—Goods consigned or trusted to an agent to be sold.
**Consignee.**—One to whom goods are consigned.
**Consignor.**—One who commits or consigns goods to another.
**Consols.**—In England, three per cent annuities, granted at different times, consolidated into one stock or fund.
**Consul.**—An agent to represent a government in a foreign land.
**Contraband.**—Unlawful; articles forbidden being imported.
**Contract.**—An agreement, based upon sufficient consideration, to do or not to do some particular thing.
**Copartnership.**—Joint concern in business.
**Correspondence.**—An interchange of letters or intercourse.
**Counterfeit.**—A forgery; spurious bank bills.
**Countersign.**—To sign as secretary or subordinate officer; a writing which has been signed by the superior; bank notes are signed by the president and countersigned by the cashier.
**Coupon.**—An interest certificate attached to a bond; when paid they are cut off.
**Court.**—A tribunal established for the administration of justice.
**Covenant.**—A mutual agreement.
**Coverture.**—The state of a married woman.
**Credentials.**—Testimonials; that which gives credit or authority.
**Credit.**—Trust given to a debtor; the side of an account on which payment is entered.
**Creditor.**—One who trusts, or to whom something is owed.
**Currency.**—Paper used as a vehicle of trade.
**Customs.**—Duties on goods imported or exported; tariff.
**Custom House.**—The house where duties are paid, and vessels enter and clear.
**Damages.**—The amount assessed to pay for injury.
**Days of Grace.**—Usually three days for the payment of a note after it becomes due.
**Debit.**—Money due; the debtor side of an account.
**Debt.**—What one owes to another.
**Debtor.**—One who owes another, or is bound to do something.
**Decimal.**—Increasing or decreasing by ten. Decimal Fractions—Those having any power of ten for a denominator.
**Deed.**—A sealed instrument used in the conveyance of real estate.
**Defalcation.**—Deducted from.
**Defaulter.**—One who fails to pay or account for money intrusted him.
**Delivery.**—To pass money or goods to another; a giving.

**Demand.**—An asking by authority; a claim by right.
**Demise.**—To convey; to bequeath by will.
**Demurrage.**—Allowance for detention of a ship.
**Depositary.**—One to whom something is intrusted; a guardian.
**Deputy.**—One appointed to act for another; a representative.
**Diplomacy.**—The agency, art, or management of ministers at a foreign port; forms of negotiations.
**Discount.**—An allowance or deduction made for the payment of money before it is due.
**Dividend.**—A portion allotted to stockholders in dividing the profits.
**Donee.**—One to whom a gift is made or a bequest is given.
**Donor.**—One who gives or bestows.
**Dormant.**—Not acting; a partner who takes no share in the active business of the concern, but shares in the gains or losses.
**Drawback.**—Duty refunded on exported goods.
**Draft.**—An order for the payment of money.
**Drawee.**—One on whom a draft is drawn; the payer.
**Drawer.**—One who draws a bill or draft.
**Duplicate.**—A copy or transcript of any thing.
**Duress.**—Personal restraint, or fear of personal injury or imprisonment; it nullifies all contracts into which it enters.
**Earnest.**—A pledge, like money deposited, affords ground of reliance.
**Effects.**—Goods or property of any kind.
**Embargo.**—Prohibition of vessels from sailing.
**Embarrassment.**—Financial distress; on the verge of bankruptcy.
**Embassy.**—A public message or commission; the person by whom it is sent.
**Eleemosynary.**—Intended for the distribution of charity; as, an eleemosynary corporation, college or hospital.
**Embezzlement.**—Unlawful appropriation of what is intrusted to one's care.
**Emporium.**—A commercial center; a mart.
**Endorse.**—To write one's name upon the back of a note.
**Equity.**—In law qualifying or correcting the law in extreme cases.
**Estate.**—The degree, quantity, nature, and extent of interest which a person has in real property.
**Estoppel.**—In law, some previous act which estops or precludes a man from making a given plea or pretense.
**Exchange.**—Act of bartering; a bill drawn for money; a place where merchants meet; difference between the value of money in two places, or the premium and discount arising from the purchase and sale of funds.
**Executor.**—One who settles the estate of a testator.
**Executory.**—Yet to be performed.
**Exports.**—Goods or produce carried abroad in commerce.
**Express.**—A special messenger; a regular conveyance for packages, etc.
**Face.**—The amount expressed on a note or draft.
**Factor.**—An agent to whom goods are consigned; differs from broker in that the factor has the custody of the goods.
**Failure.**—Act of becoming insolvent.
**Fac Simile.**—An exact resemblance.
**Favor.**—A note or draft is said to be in favor of the payee.
**Fee simple.**—In the United States, an estate held by a person in his own right, and descendible to his heirs.
**Finance.**—Revenue; income; pertaining to money.
**Financier.**—An officer of finance; one having charge of the revenue.
**Firm.**—A partnership, trading house, or its name.
**Firkin.**—A vessel of eight or nine gallons; the fourth part of a barrel.
**Fiscal.**—Pertaining to a treasury or revenue.
**Foreclose.**—To cut off the power of redemption under a mortgage.
**Forestall.**—To buy goods before they reach the market.
**Folio.**—Page of a book; usually the two opposite pages.
**Franc.**—A French silver coin.
**Frank.**—A free letter; a writing which exempts from postage.
**Fraud.**—Artifice by which another's right or interest is impaired.
**Free Trade.**—The policy of conducting international commerce without duties.
**Freehold.**—Land held by free tenure, or in fee simple, subject to no superior or conditions.
**Freight.**—Goods being transported; the price paid for transporting; to load a vessel.
**Funds.**—Stock or capital; a sum of money.
**Gain.**—Profit; benefit; increase in wealth.
**Gauging.**—The act of measuring the contents of casks, etc.
**Gist.**—The main point of a case; the turning point.
**Grant.**—Conveyance; bestowment; a thing conveyed by deed.
**Gross.**—Twelve dozen. Gross Weight—Weight of goods, including case, bag, etc.
**Guarantee, or Guaranty.**—A surety for performance by third person; one who warrants.

**Guarantor.**—A warrantor.
**Habeas Corpus.**—A writ to deliver a person from false imprisonment.
**Haberdasher.**—One who deals in small wares, as thread, etc.
**Handbook.**—A manual; a guide book.
**Harbor.**—A place of rest or safety for ships; a port for loading and unloading.
**Hazardous.**—Perilous, dangerous; that exposes to danger or peril.
**High Seas.**—The waters of the ocean; without the boundaries of any country.
**Honor.**—To accept and pay when due.
**Hypothecate.**—To pledge as security.
**Impolitic.**—Not politic; contrary to policy; unwise; indiscreet.
**Import.**—To bring from another country.
**Importer.**—One who brings goods from abroad.
**Impost.**—Duty on goods paid by the importer.
**Indemnify.**—To reimburse; to recompense for injury or loss.
**Indenture.**—A writing containing a contract.
**Indorsement.**—A writing on the back of a note.
**Insolvency.**—Inability to pay all debts.
**Insurance.**—Indemnify from loss; the rate paid for indemnity.
**Installment.**—Part of a sum of money paid or to be paid from time to time.
**Interest.**—The use of money; premium paid for the use of money.
**Intestate.**—Dying without having made a valid will.
**Investment.**—The laying out of money in the purchase of property.
**Jettison.**—A voluntary throwing goods overboard at sea, in a storm, to lighten ship.
**Jointure.**—An estate in lands settled on a woman in consideration of marriage.
**Joint-stock.**—Property held in common by a company.
**Joint-tenancy.**—Joint occupancy; not so close intimacy as partnership.
**Journal.**—A book used to classify and arrange business transactions.
**Judgment Note.**—A note in the usual form, with the addition of the power to confess judgment if not paid.
**Jurisdiction.**—The authority by which judicial officers take cognizance of and decide causes.
**Larceny.**—The taking of goods or other personal property feloniously.
**Law-merchant.**—The general body of commercial usages in matters relative to commerce.
**Lease.**—A letting of land, etc., for hire; the writing or contract for such letting.
**Legacy.**—A bequest; a particular thing or certain sum of money given by last will or testament.
**Ledger.**—The chief book of accounts.
**Lessee.**—One to whom a lease is made.
**Letters of Credit.**—An open letter of request, authorizing the holder to receive money on account of the writer.
**Liability.**—Debts owed by a person.
**License.**—To permit; authority given to do an act.
**Lien.**—A legal claim on property to satisfy debt.
**Lieu.**—In stead; in place.
**Liquidate.**—To pay off as debts; to settle or adjust accounts.
**Loan.**—To deliver to another for temporary use; the thing lent.
**Malfeasance.**—Evil doing; an act which one has no right to do.
**Mandatary.**—One to whom business is intrusted, or a charge given.
**Manifest.**—A list of articles comprising a vessel's cargo.
**Manufacture.**—The process of converting raw materials into articles of use and sale.
**Marine.**—Pertaining to the sea.
**Maritime Law.**—Law relating to harbors, ships, and seamen.
**Marc.**—A weight in European countries for estimating gold and silver.
**Mart.**—A place of public sale; a market.
**Maturity.**—The date when a note or draft falls due or is payable.
**Mercantile Law.**—Law relating to business transactions.
**Merchandise.**—The objects of commerce; goods; wares.
**Merger.**—The absorption of a thing of lesser importance by a greater, whereby the lesser ceases to exist but the greater is not increased. For instance, a note on which a judgment is recovered is absorbed by and merged in the judgment.
**Mint.**—The place where money is coined.
**Misfeasance.**—Wrong doing; doing in an improper manner, by which another receives an injury.
**Mitigation.**—Lessening the amount of a judgment, penalty or punishment.
**Money.**—Current coin; any circulating medium. MONEY—(*moneta*)—was originally stamped coin; later, anything which takes its place, as bank notes.
**Money-broker.**—A broker who deals in money or in exchanges.
**Monopoly.**—The sole power of vending goods.

**Monetary.**—Pertaining to money.
**Mortgage.**—The pledge of goods and chattels to secure the payment of a debt.
**Mortgagee.**—One to whom a mortgage is given.
**Navigation.**—The science of managing ships in sailing.
**Negotiable.**—That may be transferred by indorsement and delivery or by delivery alone.
**Negotiate.**—To transact business, or treat with another respecting trade or treaty.
**Net.**—Clear of all charges and deductions.
**Net Proceeds.**—The sum left after deducting commission or discount, etc.
**Non-feasance.**—The non-performance of an act which should be done; not doing.
**Note.**—An obligation without seal; a written promise to pay.
**Notary Public.**—An officer whose chief business it is to protest paper for non-payment.
**Ostensible Partners.**—Those whose names are made known to the public.
**Outstanding Debts.**—Those unpaid.
**Overt.**—Open to view; not secret, but manifest.
**Owe.**—To be indebted to or bound to pay.
**Par.**—Equal value; when market value equals face value.
**Parol.**—Not written; especially not written and sealed.
**Partnership.**—Company; union of two or more in business.
**Pawnbroker.**—One who lends money on pledge or the deposit of goods.
**Pay.**—To recompense; an equivalent given for goods.
**Payee.**—The party to whom payment is to be made.
**Payer.**—One who pays or is bound to pay.
**Pledge.**—A pawn; a deposit as security.
**Policy of Insurance.**—Contract between the insurer and the insured.
**Politic.**—According to good policy; for the public good.
**Premises.**—Things previously mentioned; houses, lands, etc.
**Premium.**—The sum paid for insurance; the excess of value above par.
**Price.**—Value set or demanded; current value.
**Price Current.**—A table of the current prices of merchandise, stocks, bills of exchange, etc.
**Prima Facie.**—On the first view of the matter.
**Principal.**—An employer; the head of a commercial house; the sum loaned; upon which interest is paid.
**Protest.**—A formal declaration made by a notary public for want of payment of a promissory note, or for want of acceptance or payment of a bill of exchange.
**Quarantine.**—Restraint of intercourse to which a ship is subjected, upon the supposition that she is infected with disease.
**Quasi.**—As if; in a manner; in some respects.
**Rate.**—The proportion or standard.
**Rebatement.**—Deduction for prompt payment; discount.
**Real Estate.**—Land, and everything that legally passes with the land, in a conveyance or sale.
**Receipt.**—A writing acknowledging the taking of money or goods.
**Refund.**—To repay or pay back.
**Resources.**—Pecuniary means; effects; property.
**Respondential Bond.**——A pledge of a cargo at sea.
**Retail.**—To sell in small quantities.
**Revenue.**—Income; rents; customs and duties.
**Revocation.**—The recall of power or authority conferred, as the revocation of an agency.
**Salvage.**—A reward or recompense allowed by law for the saving of a ship or goods from loss at sea, either by shipwreck or other means.
**Seaworthy.**—Fit for a voyage; in a proper condition to venture at sea.
**Secondarily.**—Applied to the endorser of a note or the drawer of a bill, signifying that he is only *conditionally* liable, or liable if the maker and drawee fail.
**Seize.**—To hold possession of by law.
**Shipment.**—Goods shipped; act of shipping.
**Sight.**—The time of presenting a bill to the drawee.
**Signature.**—The peculiar style in which a person signs his name.
**Solicitor.**—One who solicits; a lawyer or advocate in a court of chancery.
**Solvency.**—Ability to pay all debts.
**Specialty.**—A writing sealed and delivered, containing some agreement.
**Statement.**—Usually a list of property, or resources and liabilities.
**Statistics.**—A collection of facts respecting any particular thing.
**Statute Law.**—A law established by act of the legislative power.
**Stipend.**—Settled pay for services; daily, monthly, or annual salary.
**Stipulation.**—An agreement or contract.

**Stock.**—Capital in trade.
**Stocks.**—Shares in joint-stock companies, and notes on the government.
**Stock Broker, or Jobber.**—One who speculates in stock.
**Sue.**—To prosecute in law.
**Surety.**—A bondsman; security; certainty.
**Tacit.**—That which is understood; implied.
**Tare.**—An allowance in weight for the cask in which goods are contained.
**Tariff.**—A list of prices; duties on imports and exports.
**Tax.**—A rate or sum of money imposed on persons or property for public purposes.
**Teller.**—One who tells or counts; an officer who pays money on checks.
**Tenants in Common.**—Persons holding lands and tenements by several and distinct titles, and not by a joint title.
**Tenant.**—One who holds property under another.
**Tenement.**—That which is held.
**Tender.**—To offer or present for acceptance.
**Tenure.**—The mode in which one holds an estate in lands.
**Testator.**—The person who has made a valid will.
**Tickler.**—Name of a book kept by banks.
**Time-draft.**—A draft maturing at a future specified time.
**Tonnage.**—The weight of goods carried in a ship.
**Tort.**—Wrong; injury done to person or property.
**Transact.**—To perform any act of business; to manage.
**Transfer.**—To convey; to sell or alienate title.
**Treasury.**—A place where public money is kept.
**Trustee.**—A person to whom any business is committed.
**Ultimo, or ult.**—Last month.
**Uncurrent.**—Not passing in common payment, as £, *s.* and *d.* in the United States.
**Underwriter.**—An insurer; so called because he underwrites his name to the conditions of the policy.
**Usage of Trade.**—Custom, or the frequent repetition of the same act in business transactions.
**Usury.**—Illegal interest; formerly, any consideration for the use of money.
**Valid.**—Of binding force; strong; effectual.
**Value.**—The rate of worth or amount of price of a commodity.
**Vend.**—To sell; to transfer for a pecuniary consideration.
**Vendee.**—The person to whom a thing is sold.
**Void.**—Having no binding force or effect.
**Voidable.**—That which has some force or effect, but which, in consequence of some inherent quality, may be annulled or avoided.
**Voucher.**—A paper that confirms anything, particularly the truth of accounts.
**Wages.**—Compensation for services.
**Waiver.**—The relinquishment or refusal to accept of a right.
**Wares.**—Goods; merchandise; commodities.
**Warrant.**—To invest with authority to arrest a person; to insure against defects.
**Wharfage.**—Fee or duty for using a wharf.
**Wharfinger.**—The owner or keeper of a wharf.
**Wrecker.**—One who seeks the wrecks of ships for plunder or otherwise.
**Wreckmaster.**—A person appointed by law to take charge of goods, etc., thrown on shore after shipwrecks.